JKS RESOURCES INC.

FINANCIAL STATEMENTS
FOR THE YEARS ENDED AUGUST 31, 2023 AND 2022
(Expressed in Canadian Dollars)

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of **JKS Resources Inc.**

Opinion
We have audited the financial statements of **JKS Resources Inc.** (the "Company"), which comprise the statements of financial position as at August 31, 2023 and 2022, and the statements of loss and comprehensive loss, changes in equity and cash flows for the years ended August 31, 2023 and 2022, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at August 31, 2023 and 2022, and its financial performance and its cash flows for the years ended August 31, 2023 and 2022 in accordance with International Financial Reporting Standards (IFRSs).

Basis for Opinion
We conducted our audits in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern
We draw attention to Note 1 in the financial statements, which describes matters and conditions that indicate the existence of a material uncertainty that may cast significate doubt about the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Key Audit Matters
Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matter described in the *Material Uncertainty Related to Going Concern* section, we have determined the matter described below to be the key audit matter to be communicated in this report.

Impairment Assessment of Exploration and Evaluation Assets ("E&E Assets")
As described in Note 4 to the financial statements, the carrying amount of the Company's E&E Assets was $234,140 as at August 31, 2023. As more fully described in Note 2(l) to the financial statements, management assesses E&E Assets for indicators of impairment at each reporting period.

The principal considerations for our determination that the assessment of impairment of the E&E Assets is a key audit matter are that there was judgment made by management when assessing whether there were indicators of impairment for the E&E Assets, specifically relating to the assets' carrying amount which is impacted by the Company's intent and ability to continue to explore and evaluate these assets. This in turn led to a high degree of auditor judgment, subjectivity, and effort in performing procedures to evaluate audit evidence relating to the judgments made by management in their assessment of indicators of impairment that could give rise to the requirement to prepare an estimate of the recoverable amount of the E&E Asset.

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Addressing the matter involved performing procedures and evaluating audit evidence in connection with forming our overall opinion on the financial statements. Our audit procedures included, among others:

- Evaluating management's assessment of impairment indicators;
- Evaluating the intent for the E&E Assets through discussion and communication with management;
- Reviewing the Company's recent expenditure activity; and
- Obtaining supporting of title to ensure mineral rights underlying the E&E Assets are in good standing.

Responsibilities of Management and Those Charged with Governance for the financial statements
Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's responsibilities for the Audit of the Financial Statements
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

The engagement partner on the audit resulting in this independent auditor's report is Linda Zhu.

Mao & Ying LLP

Vancouver, Canada,
December 8, 2023

Chartered Professional Accountants

JKS RESOURCES INC.
STATEMENTS OF FINANCIAL POSITION
For the years ended August 31, 2023 and 2022
(Expressed in Canadian Dollars)

	Note	2023 $	2022 $
ASSETS			
Current assets			
Cash		214,375	119,285
GST receivable		1,187	-
Prepaid	3	7,123	-
Deferred financing costs	5	-	69,007
		222,685	188,292
Reclamation bond		10,267	10,267
Exploration and evaluation asset	4	234,140	36,904
Total assets		467,092	235,463
LIABILITIES			
Current liabilities			
Accounts payable and accrued liabilities		18,683	20,989
		18,683	20,989
SHAREHOLDERS' EQUITY			
Share capital	5	853,634	406,750
Reserves	5	27,526	-
Deficit		(432,751)	(192,276)
		448,409	214,474
Total liabilities and shareholders' equity		467,092	235,463

Nature of operations and going concern (Note 1)
Subsequent event (Note 12)

“Gunther Roehlig” Director

“Darien Lattanzi” Director

The accompanying notes are an integral part of these financial statements

JKS RESOURCES INC.

STATEMENTS OF LOSS AND COMPREHENSIVE LOSS

For the years ended August 31, 2023 and 2022

(Expressed in Canadian Dollars)

	Note	2023 $	2022 $
EXPENSES			
Consulting fees	**9**	32,520	13,560
Transfer agent, filing and listing fees		42,184	16,347
Foreign exchange (gain)/loss		212	(311)
Marketing and investor relations	**3**	92,877	-
Office expenses		6,585	1,342
Professional fees	**9**	66,097	69,747
		(240,475)	(100,685)
NET LOSS AND COMPREHENSIVE LOSS FOR THE YEAR		(240,475)	(100,685)
NET LOSS PER SHARE – BASIC AND DILUTED		(0.01)	(0.01)
WEIGHTED AVERAGE NUMBER OF SHARES OUTSTANDING		19,962,857	11,314,658

The accompanying notes are an integral part of these financial statements

JKS RESOURCES INC.
STATEMENTS OF CHANGES IN EQUITY
(Expressed in Canadian dollars, except for share figures)

	Number of Shares #	Share Capital $	Reserves $	Deficit $	Total $
Balance, August 31, 2021	10,270,000	175,400	-	(91,591)	83,809
Shares issued for cash, net of issuance costs	4,650,000	231,350	-	-	231,350
Net loss for the year	-	-	-	(100,685)	(100,685)
Balance, August 31, 2022	14,920,000	406,750	-	(192,276)	214,474
Shares issued for cash, net of issuance costs	6,500,000	419,884	27,526	-	447,410
Shares issued for property	200,000	27,000	-	-	27,000
Net loss for the year	-	-	-	(240,475)	(240,475)
Balance, August 31, 2023	21,620,000	853,634	27,526	(432,751)	448,409

The accompanying notes are an integral part of these financial statements

JKS RESOURCES INC.
STATEMENTS OF CASH FLOWS
For the years ended August 31, 2023 and 2022
(Expressed in Canadian Dollars)

		2023 $	2022 $
Operating activities:			
Net loss for the year		(240,475)	(100,685)
Net change in non-cash working capital items:	**10**	(10,616)	(7,409)
Net cash used in operating activities		(251,091)	(108,094)
Investing activities:			
Exploration and evaluation assets acquisition cost		(170,236)	(5,190)
Net cash used in investing activities		(170,236)	(5,190)
Financing activities:			
Shares issued for cash		650,000	232,500
Share issue costs		(133,583)	(1,150)
Prepaid expenses for initial public offering		-	(18,737)
Net cash provided by financing activities		516,417	212,613
Increase in cash during the year		95,090	99,329
Cash – beginning of the year		119,285	19,956
Cash – end of the year		214,375	119,285

Non-cash transactions

Shares issued for property		27,000	-

The accompanying notes are an integral part of these financial statements

1. NATURE OF OPERATIONS AND GOING CONCERN

JKS Resources Inc. ("the Company" or "JKS") was incorporated under the Business Corporations Act of British Columbia on November 9, 2020. The Company is engaged in the exploration and development of mineral properties in Canada. The Company's head office is located at 200 - 550 Denman Street, Vancouver, BC, Canada.

These financial statements have been prepared assuming the Company will continue as a going concern, which contemplates the realization of assets and satisfaction of liabilities in the normal course of business. At August 31, 2023, the Company had accumulated losses of $432,751 since its inception and expects to incur further losses in the development of its business. The continuation of the Company is dependent upon obtaining necessary financing to meet its ongoing operational levels of exploration and corporate overhead. Additional funds will be required to enable the Company to continue its operations and there can be no assurance that financing will be available on terms which are acceptable to the Company. These conditions indicate the existence of a material uncertainty that casts significant doubt as to whether the Company can continue as a going concern. These financial statements do not give effect to adjustments that would be necessary should the Company be unable to continue as a going concern and therefore be required to realize its assets and liquidate its liabilities and commitments in other than the normal course of business. Such adjustments could be material.

2. SIGNIFICANT ACCOUNTING POLICIES

a) Statement of compliance

These financial statements have been presented in accordance with International Financial Reporting Standards ("IFRS") and related IFRS Interpretations Committee ("IFRIC's") as issued by the International Accounting Standards Board ("IASB").

These financial statements were approved by the board of directors for issue on December 8, 2023.

b) Basis of presentation

These financial statements have been prepared on a historical cost basis, except for certain financial instruments which are measured at fair value. In addition, these financial statements are prepared using the accrual basis of accounting, aside from cash flow information.

c) Foreign currencies

These financial statements are presented in Canadian dollars, which is also the functional currency of the Company.

Foreign currency transactions are translated into the functional currency using exchange rates prevailing at the dates of the transactions. At the end of each reporting period, monetary assets and liabilities that are denominated in foreign currencies are translated at the rates prevailing at that date. Non-monetary assets and liabilities are translated using the historical rate on the date of the transaction. All gains and losses on translation of these foreign currency transactions are charged to profit or loss.

d) Financial instruments

Recognition and classification
The Company recognizes a financial asset or financial liability on the statement of financial position when it becomes party to the contractual provisions of the financial instrument.

The Company classifies its financial assets into one of three categories: fair value through profit and loss ("FVTPL"), fair value through other comprehensive income (loss) ("FVTOCI") or amortized cost. The Company classifies its financial liabilities into one of two categories: FVTPL and amortized cost.

The classification and measurement of financial assets is based on the Company's business models for managing its financial assets and whether the contractual cash flows represent solely payments for principal and interest. Equity instruments that are held for trading are classified as FVTPL. For other equity instruments, on the day of acquisition the Company can make an irrevocable election (on an instrument-by-instrument basis) to designate them as at FVTOCI. Financial liabilities are measured at amortized cost, unless they are required to be measured at FVTPL (such as instruments held for trading or derivatives) or if the Company has opted to measure them at FVTPL.

The Company classified cash as FVTPL and accounts payable and accrued liabilities as amortized cost.

Measurement
<u>Financial assets and liabilities at FVTPL</u>
Financial assets and liabilities carried at FVTPL are initially recorded at fair value and transaction costs are expensed in profit or loss. Realized and unrealized gains and losses arising from changes in the fair value of the financial assets and liabilities held at FVTPL are included in profit or loss in the period in which they arise.

<u>Financial assets at FVTOCI</u>
Investments in equity instruments designated as FVTOCI are initially recognized at fair value plus transaction costs. Subsequently they are measured at fair value, with gains and losses recognized in other comprehensive income (loss).

<u>Financial assets and liabilities at amortized cost</u>
Financial assets and liabilities at amortized cost are initially recognized at fair value plus or minus transaction costs, respectively, and subsequently carried at amortized cost less any impairment.

Impairment of financial assets at amortized cost

The Company recognizes a loss allowance for expected credit losses on financial assets that are measured at amortized cost. At each reporting date, the Company measures the loss allowance for the financial asset at an amount equal to the lifetime expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition. If at the reporting date, the credit risk on the financial asset has not increased significantly since initial recognition, the Company measures the loss allowance for the financial asset at an amount equal to the twelve month expected credit losses. The Company shall recognize in profit or loss, as an impairment gain or loss, the amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognized.

Derecognition

Financial assets

The Company derecognizes financial assets only when the contractual rights to cash flows from the financial assets expire, or when it transfers the financial assets and substantially all of the associated risks and rewards of ownership to another entity. Gains and losses on derecognition are generally recognized in profit or loss. However, gains and losses on derecognition of financial assets classified as FVTOCI remain within accumulated other comprehensive income (loss).

Financial liabilities

The Company derecognizes financial liabilities only when its obligations under the financial liabilities are discharged, cancelled or expired. Generally, the difference between the carrying amount of the financial liability derecognized and the consideration paid and payable, including any non-cash assets, is recognized in profit or loss.

e) Exploration and evaluation assets

Once the legal right to explore a property has been acquired, costs directly related to the acquisition, exploration and evaluation of exploration and evaluation assets are capitalized by property. These direct expenditures include such costs as materials used, surveying, drilling, and payments made to contractors during the exploration phase. Costs not directly attributed to exploration and evaluation activities, including general administrative overhead costs, and cost incurred prior to legal right has been obtained are expensed in the period in which they occur.

Management of the Company periodically reviews the recoverability of the capitalized mineral properties. Management takes into consideration various information including, but not limited to, results of exploration activities conducted to date, estimated future metal prices, and reports and opinions of outside geologists, mine engineers and consultants. When it is determined that a project or property will be abandoned then the capitalized costs are written-off, or if its fair value has been impaired, then it is written down to fair value.

Although the Company has taken steps to verify title to mineral properties in which it has an interest, these procedures do not guarantee the Company's title. Such properties may be subject to prior agreements or transfers and title may be affected by undetected defects.

f) Impairment of long-lived assets

At each reporting date the carrying amounts of the Company's long-lived assets are reviewed to determine whether there is any indication that those assets are impaired. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment, if any. The recoverable amount is the higher of fair value less costs to sell and the value in use. If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount and the impairment loss is recognized in the profit or loss for the year. Impairment is normally assessed at the level of cash-generating units, which are identified as the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognized immediately in profit or loss.

g) Provision for decommissioning and restoration

The Company recognizes provisions for statutory, contractual, constructive or legal obligations associated with the reclamation of mineral properties in the year in which it is probable that an outflow of resources will be required to settle the obligation and when a reliable estimate of the amount can be made. Initially, a provision for a decommissioning liability is recognized based on expected cash flows required to settle the obligation and discounted at a pre-tax rate specific to the liability. The capitalized amount is depreciated on the same basis as the related asset. Following the initial recognition of the decommissioning liability, the carrying amount of the liability is increased for the passage of time and adjusted for changes to the current market-based discount rate and the amount or timing of the underlying cash flows needed to settle the obligation. The increase in the provision due to passage of time is recognized as interest expense. Significant judgments and estimates are involved in forming expectations of the amounts and timing of future closure and reclamation cash flows. As at August 31, 2023 and 2022, the Company has no known material restoration, rehabilitation or environmental liabilities related to its exploration and evaluation assets.

h) Share capital

Equity instruments are contracts that give a residual interest in the net assets of the Company. The Company's common shares and warrants are classified as equity instruments.

Costs directly identifiable with the raising of share capital financing are charged against share capital. Share issuance costs incurred in advance of share subscriptions are recorded as deferred assets. Share issuance costs related to uncompleted share subscriptions are charged to operations.

Equity financing transactions may involve the issuance of units. Units comprise common shares and share purchase warrants. The Company accounts for unit offering proceeds between common shares and share purchase warrants using the residual value method, wherein the fair value of the common shares is based on the value ascribed to the placement and the balance, if any, is allocated to the attached warrants.

i) Loss per share

Basic loss per share represents the loss for the period, divided by the weighted average number of common shares outstanding during the period. Diluted loss per share represents the loss for the period, divided by the weighted average number of common shares outstanding during the period plus the weighted average number of dilutive shares resulting from the exercise of stock options, warrants and other similar instruments where the inclusion of these would not be anti-dilutive. Contingently releasable escrow common shares are excluded from the calculation of weighted average number of common shares outstanding.

j) Share-based payments

Where equity-settled share options are awarded to employees, the fair value of the options at the date of grant is charged to profit or loss over the vesting period. Performance vesting conditions are taken into account by adjusting the number of equity instruments expected to vest at each reporting date so that, ultimately, the cumulative amount recognized over the vesting period is based on the number of options that eventually vest. Non-vesting conditions and market vesting conditions are factored into the fair value of the options granted. As long as all other vesting conditions are satisfied, a charge is made irrespective of whether these vesting conditions are satisfied. The cumulative expense is not adjusted for failure to achieve a market vesting condition or where a non-vesting condition is not satisfied.

Where the terms and conditions of options are modified before they vest, the increase in the fair value of the options, measured immediately before and after the modification, is also charged to profit or loss over the remaining vesting period.

Where equity instruments are granted to non-employees, they are recorded at the fair value of the goods or services received in profit or loss. When the value of goods or services received in exchange for the share-based payment cannot be reliably estimated, the fair value is measured by use of a valuation model. The expected life used in the model is adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions, and behavioural considerations.

All equity-settled share-based payments are reflected in contributed surplus, until exercised. Upon exercise, shares are issued from treasury and the amount reflected in contributed surplus is credited to share capital, adjusted for any consideration paid.

Where a grant of options is cancelled or settled during the vesting period, excluding forfeitures when vesting conditions are not satisfied, the Company immediately accounts for the cancellation as an acceleration of vesting and recognizes the amount that otherwise would have been recognized for services received over the remainder of the vesting period. Any payment made to the employee on the cancellation is accounted for as the repurchase of an equity interest except to the extent the payment exceeds the fair value of the equity instrument granted, measured at the repurchase date. Any such excess is recognized as an expense.

k) Income tax

Income tax on the profit or loss for the periods presented comprises current and deferred tax. Income tax is recognized in profit or loss except to the extent that it relates to items recognized directly in equity, in which case it is recognized in equity.

Current tax expense is the expected tax payable on the taxable income for the period, using tax rates enacted or substantively enacted at period end, adjusted for amendments to tax payable with regards to previous periods.

Deferred tax is provided using the liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The Company does not provide for temporary differences relating to differences relating to investments in subsidiaries, associates, and joint ventures to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the statement of financial position reporting date applicable to the period of expected realization or settlement.

A deferred tax asset is recognized only to the extent that it is probable that future taxable income will be available against which the asset can be utilized. Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

l) Critical accounting estimates and judgments

The preparation of the financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and reported amounts of assets, liabilities, revenue and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may materially differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

Significant assumptions about the future and other sources of estimation uncertainty that management has made at the statement of financial position date, that could result in a material adjustment to the carrying amounts of assets and liabilities, in the event that actual results differ from assumptions made, relate to, but are not limited to, the following:

Exploration and evaluation assets
The application of the Company's accounting policy for mineral properties requires judgment in determining whether it is likely that future economic benefits will flow to the Company, which may be based on assumptions about future events or circumstances. Estimates and assumptions made may change if new information becomes available. If, after expenditures are capitalized, information becomes available suggesting that the recovery of expenditure is unlikely, the amount capitalized is written off in the profit or loss in the period the new information becomes available. Determination of whether an impairment has occurred requires highly subjective assumptions.

Deferred financing costs
Judgment is required to be exercised on the likely successful completion of equity financing to which deferred financing costs relate. These fees are carried at cost on the statement of financial position with the likelihood of the related equity financing being reviewed at the reporting date. If the related equity financing is unlikely to complete as contemplated, deferred financing costs are written off to profit or loss.

m) Accounting standards issued but not yet effective

A number of new standards, amendments to standards and interpretations are not yet effective for the year ended August 31, 2023 and have not been applied in preparing these financial statements. None of these pronouncements are expected to have material impact on the Company's financial statements.

3. PREPAID

During the year ended August 31, 2023, the Company entered into a twelve-month investor relations agreement with Maynard Communication Inc., an arm's length party, to provide public relations, marketing and corporate and communication services for total fees of $150,000. A payment of $100,000 was made upon engagement and as at August 31, 2023, the prepaid balance is $7,123.

(Expressed in Canadian Dollars)

4. EXPLORATION AND EVALUATION ASSET

On January 8, 2021, as amended February 5, 2021 and November 9, 2021, the Company entered into an option agreement (the "Option Agreement") with Dorval Exploration Inc. ("Dorval"), to acquire a 100% interest in the Sowchea property (the "Sowchea Property"). The Sowchea Property is located in Fort St James in the Omineca Mining Division in the Province of British Columbia.

To fully exercise the option and acquire a 100% right, title and interest in and to the Sowchea Property, the Company is required to:

- Pay $25,000 in cash within five business days of the execution of the Option Agreement (paid in January 2021);
- Pay $25,000 and issue 200,000 common shares within five business days of the listing date (paid and issued in December 2022). 200,000 common shares were estimated to be $27,000 based on the Company's stock trading price at the date of issuance;
- Pay $25,000, issue 500,000 common shares and incur exploration expenditures of $150,000 on or before 18 months after the listing date; and
- Issue 750,000 common shares and incur exploration expenditures of $500,000 on or before 28 months after the listing date.

Pursuant to the Option Agreement, Dorval reserved a 1% gross over-riding royalty interest payable ("GORR"). The Company has the option at any time to purchase up to 0.5% GORR, by paying $1,000,000 in cash to Dorval for the 0.5% GORR.

Below is a summary of the changes in the exploration and evaluation assets during the years ended August 31, 2023 and 2022:

Sowchea Property	**$**
Balance, August 31, 2021	31,714
Exploration costs	5,190
Balance, August 31, 2022	36,904
Acquisition costs - cash	25,000
Acquisition costs - shares	27,000
Exploration costs	145,236
Balance, August 31, 2023	**234,140**

5. SHARE CAPITAL

a) Authorized – Unlimited common shares without par value.

b) Issued and outstanding – As at August 31, 2023, the Company had 21,620,000 (August 31, 2022 – 14,920,000) common shares issued and outstanding.

c) Financings

Year ended August 31, 2023

- On November 30 2022, the Company completed its initial public offering (the "IPO") by issuing 6,500,000 common shares at a price of $0.10 per share for total gross proceeds of $650,000. In connection with the IPO, the Company agreed to pay the agent a cash commission equal to 10% of the proceeds and granted the agent an option to acquire 650,000 common shares of the Company at a price of $0.10 per share until November 30, 2024. The agent's options were valued at $27,526 using the Black-Scholes pricing model, with the following assumptions: risk-free rate of 3.86%, expected life of 2 years, expected volatility of 74.20% and expected dividends of $nil. Volatility was estimated by using the historical volatility of other companies in the same industry during a similar period. The Company paid $36,750 to the IPO agent as a corporate finance fee (the "Agent Finance Fee"). Including the Agent Finance Fee, the Company incurred total share issuance cost of $202,590 in cash of which $69,007 was recorded as deferred financing costs on the Company's statement of financial position as at August 31, 2022.

- On December 1, 2022, the Company issued 200,000 common shares pursuant to the Sowchea Property option agreement. The common shares were valued at $27,000, based on the Company's stock trading price at the date of issuance (Note 4).

Year ended August 31, 2022

- On June 10, 2022, the Company issued 4,650,000 units at a price of $0.05 per unit for gross proceeds of $232,500. Each unit is comprised of one common share and one share purchase warrant, with each share purchase warrant entitling the holder to acquire one additional share at a price of $0.10 per share until June 10, 2025. In connection with the private placement, the Company incurred cash share issuance costs of $1,150. The Company has allocated 100% proceeds to common shares and $nil to share purchase warrants.

d) Escrowed shares

As at August 31, 2023, 1,500,000 common shares of the Company were held in escrow. The Company entered into an escrow agreement, whereby 2,000,000 common shares will be held in escrow to be released pro-rata to the shareholders as to 10% on the listing date with the remaining escrow shares being released in six equal tranches of 15% every six months for a period of 36 months. The escrow shares may not be transferred, assigned or otherwise dealt with without the consent of the regulatory authorities.

(Expressed in Canadian Dollars)

e) Options

A summary of the changes in options is presented below:

	Number of options	Weighted average exercise price
		$
Balance, August 31, 2021	-	-
Balance, August 31, 2022	-	-
Issued	650,000	0.10
Balance, August 31, 2023	**650,000**	**0.10**
Exercisable, August 31, 2023	**650,000**	**0.10**

The following options were outstanding as at August 31, 2023:

Outstanding	Exercisable	Exercise price	Expiry date	Weighted average remaining life (in years)
		$		
650,000	650,000	0.10	November 30, 2024	1.25
650,000	**650,000**	**0.10**		**1.25**

Subsequent to August 31, 2023, 550,000 options with an exercise price of $0.10 were exercised for proceeds of $55,000 (Note 12).

(Expressed in Canadian Dollars)

f) Warrants

A summary of the changes in warrants is presented below:

	Number of warrants	Weighted average exercise price
		$
Balance, August 31, 2021	-	-
Issued	4,650,000	0.10
Balance, August 31, 2022	**4,650,000**	**0.10**
Balance, August 31, 2023	**4,650,000**	**0.10**

The following warrants were outstanding as at August 31, 2023:

Outstanding	Exercise price	Expiry date	Weighted average remaining life (in years)
	$		
4,650,000	0.10	June 10, 2025	1.78
4,650,000	**0.10**		**1.78**

6. MANAGEMENT OF CAPITAL

The Company's objectives when managing capital are to safeguard its ability to continue as a going concern and to maintain a flexible capital structure which optimizes the cost of capital within a framework of acceptable risk. In the management of capital, the Company includes the components of shareholders' equity.

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 its capital structure, the Company may issue new shares, issue debt, acquire or dispose of assets or adjust the amount of cash. The Company is dependent on the capital markets as its primary source of operating capital and the Company's capital resources are largely determined by its ability to compete for investor support of its projects.

The Company is not subject to any externally-imposed capital requirements.

7. FINANCIAL INSTRUMENTS

For financial instruments held by the Company, management classifies cash as FVTPL, accounts payable and accrued liabilities as amortized cost.

a) Fair value of financial instruments

Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values. The three levels of the fair value hierarchy are:

Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities;
Level 2 – Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly; and
Level 3 – Inputs that are not based on observable market data.

As at August 31, 2023, the Company believes that the carrying values of accounts payable and accrued liabilities approximate their fair values because of their nature and relatively short maturity dates or durations. The fair value of cash is based on level 1 inputs of the fair value hierarchy.

b) Management of risks arising from financial instruments

Discussions of risks associated with financial assets and liabilities are detailed below:

Credit risk
Credit risk arises from cash held with banks and financial institutions. The maximum exposure to credit risk is equal to the carrying value of the financial assets. The Company's cash is held with a reputable Canadian bank. The credit risk related to cash is considered minimal.

Interest rate risk
Interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The risk that the Company will realize such a loss is limited because the Company has no interest-bearing financial instruments.

Liquidity risk
The Company manages liquidity risk by maintaining sufficient cash to enable settlement of transactions as they come due. Management monitors the Company's contractual obligations and other expenses to ensure adequate liquidity is maintained.

(Expressed in Canadian Dollars)

8. INCOME TAXES

A reconciliation of income taxes at statutory rates with reported taxes is as follows:

	2023	2022
Statutory tax rate	**27%**	**27%**
	$	**$**
Loss before income taxes	(240,475)	(100,685)
Expected income tax recovery at statutory rate	(64,928)	(27,185)
Temporary difference	(47,409)	-
Change in unrecognized deductible temporary differences	112,337	27,185
Income tax recovery	-	-

Deferred assets (liabilities) at August 31, 2023 and 2022 are as follows:

	August 31, 2023 $	August 31, 2022 $
Exploration and evaluation assets	(7,290)	-
Non-capital loss available for future periods	7,290	-
Deferred tax assets (liabilities)	-	-

The significant components of the Company's temporary differences including the unused tax losses that have not been included in the statement of financial position are as follows:

	2023 $	2022 $
Non-capital loss carry forward	446,269	192,276
Share issuance cost	162,072	-
Unrecognized deductible temporary differences	**608,341**	**192,276**

As at August 31, 2023, the Company has non-capital losses carried forward for income tax purposes of $473,269 which can be applied against future years' taxable income. These losses will expire between 2041 and 2043. Future tax benefits, which may arise as a result of these losses, have not been recognized in these financial statements.

(Expressed in Canadian Dollars)

9. RELATED PARTY TRANSACTIONS

Related party transactions have been measured at the exchange amount of consideration agreed between the related parties. Related party transactions not disclosed elsewhere in these financial statements are listed below.

The Company incurred charges to directors and officers, or to companies associated with these individuals during the years ended August 31, 2023 and 2022 as follows:

	2023 $	2022 $
Accounting fees	14,124	13,964
Consulting fees	12,520	13,560
	26,644	27,524

Key management of the Company includes the chief executive officer, the CFO and the directors. During the years ended August 31, 2023 and 2022, compensation paid to key management consists of consulting fees charged by to a company owned by a director, and accounting fees charged by the CFO which have been presented in the table above.

10. SUPPLEMENTAL CASH FLOW INFORMATION

The net change in non-cash operating working capital balances for the years ended August 31, 2023 and 2022 consisted of the following:

	2023 $	2022 $
GST Receivables	(1,187)	-
Prepaid	(7,123)	-
Accounts payable and accrual liabilities	(2,306)	(7,409)
	(10,616)	**(7,409)**

11. SEGMENTED INFORMATION

The Company is operated in one segment being the mineral exploration and development activities. All of the Company’s assets are located in Canada.

12. SUBSEQUENT EVENT

On October 17, 2023, 550,000 options with an exercise price of $0.10 were exercised for proceeds of $55,000.