



HERCULES RESOURCES CORP.

Condensed Interim Financial Statements
(Expressed in Canadian Dollars)

For the three and six month periods ended March 31, 2023 and 2022

HERCULES RESOURCES CORP.

Condensed Interim Statements of Financial Position
(Expressed in Canadian dollars)
(Unaudited)

As at	March 31, 2023	September 30, 2022
Assets		
Current Assets		
Cash	\$ 200,118	\$ 212,331
Other receivable	26,912	18,692
Prepaid	24,200	21,500
	<u>251,230</u>	<u>252,523</u>
Non-current Assets		
Exploration asset (note 3)	235,370	131,835
	<u>\$ 486,600</u>	<u>\$ 384,358</u>
Liabilities and Shareholders' Equity		
Current Liabilities		
Accounts payable and accrued liabilities (note 4)	\$ 136,172	\$ 80,595
	<u>136,172</u>	<u>80,595</u>
Shareholders' equity:		
Share capital (note 5)	605,068	461,325
Reserve (note 5)	9,661	-
Accumulated deficit	(264,301)	(157,562)
	<u>350,428</u>	<u>303,763</u>
	<u>\$ 486,600</u>	<u>\$ 384,358</u>

Nature and Continuance of Operations (note 1)
Contingencies and Commitments (note 3)
Subsequent Event (note 7)

Approved by the Board of Directors on May 12, 2023:

"Gordon Lam" Director
Gordon Lam

"Alan Tam" Director
Alan Tam

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

HERCULES RESOURCES CORP.

Condensed Interim Statements of Operations and Comprehensive Loss
(Expressed in Canadian dollars)
(Unaudited)

	Three months ended March 31, 2023	Three months ended March 31 2022	Six months ended March 31, 2023	Six months ended March 31, 2022
Expenses:				
Consulting	\$ 9,200	\$ 12,000	\$ 12,200	\$ 12,000
General and administration	3,605	251	4,703	408
Management fee (note 6)	13,000	9,000	22,000	18,000
Professional fees (note 6)	35,039	5,840	63,716	5,840
Regulatory and transfer agent	8,208	-	6,671	-
Loss before other items	(69,052)	(27,091)	(109,290)	(36,248)
Interest income	2,091	31	2,551	74
Net and comprehensive loss	\$ (66,961)	\$ (27,060)	\$ (106,739)	\$ (36,174)
Net loss per share, basic and diluted (note 5)	\$ (0.00)	\$ (0.00)	\$ (0.01)	\$ (0.00)
Weighted average number of common shares outstanding:				
Basic and diluted	16,206,800	12,363,889	15,338,357	12,177,198

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

HERCULES RESOURCES CORP.

Condensed Interim Statements of Changes in Equity
(Expressed in Canadian dollars)
(Unaudited)

	Number of shares	Share capital	Reserve	Accumulated deficit	Total
Balance September 30, 2021	12,000,001	\$ 180,000	\$ -	\$ (35,474)	\$ 144,526
Issuance of common shares non-brokered	3,250,000	300,000	-	-	300,000
Loss for the period	-	-	-	(36,174)	(36,174)
Balance March 31, 2022	15,250,001	\$ 480,000	\$ -	\$ (71,648)	\$ 408,352
Balance September 30, 2022	15,250,001	\$ 480,000	\$ -	\$ (157,562)	\$ 322,438
Issuance of IPO shares brokered (note 5)	2,541,000	254,100	-	-	254,100
Issuance of IPO shares corporate finance fee (note 5)	100,000	10,000	-	-	10,000
Share issuance costs		(134,371)	-	-	(134,371)
Agent warrants (note 5)		(9,661)	9,661	-	-
Shares issued to Optionee	50,000	5,000	-	-	5,000
Loss for the period	-	-	-	(106,739)	(106,739)
Balance March 31, 2023	17,941,001	\$ 605,068	\$ 9,661	\$ (264,301)	\$ 350,428

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

HERCULES RESOURCES CORP.

Condensed Interim Statement of Cash Flows
(Expressed in Canadian dollars)
(Unaudited)

	Six-month period ended March 31, 2023	Six-month period ended March 31, 2022
Cash (used) provided by:		
Operations:		
Loss for the period	\$ (106,739)	\$ (36,174)
Changes in non-cash operating working capital:		
Receivables	(8,220)	(2,250)
Prepaid	(2,700)	(1,500)
Accounts payable and accrued liabilities	55,576	7,282
Cash used in operating activities	(62,083)	(32,642)
Financing:		
Issuance of common shares	153,404	300,000
Cash provided by financing activities	153,404	300,000
Investing:		
Investment in exploration assets	(103,534)	(70,919)
Cash used in investing activities	(103,534)	(70,919)
Decrease (increase) in cash	(12,213)	196,439
Cash, beginning of period	212,331	108,767
Cash, end of period	\$ 200,118	\$ 305,206

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

HERCULES RESOURCES CORP.

Notes to the Condensed Interim Financial Statements

(Expressed in Canadian dollars)

(Unaudited)

For the three and six month periods ended March 31, 2023 and 2022

1. Nature and Continuance of Operations:

Hercules Resources Corp. (“Hercules” or “Company”) was incorporated on January 13, 2021 under the *Business Corporations Act* (British Columbia). On January 27, 2023 the Company became listed on the Canadian Stock Exchange (“CSE”) trading under the symbol “HERC”. The Company’s registered office is located at #2080 – 777 Hornby Street, Vancouver, British Columbia, V6K 2A4.

The Company is engaged in the exploration of mineral properties and has not yet determined whether any of its properties contain economically recoverable reserves. To date, the Company has not earned any operating revenue and is in the exploration stage. The mining exploration business involves a high degree of risk. The recoverability of the amounts expended on mineral interests by the Company is dependent upon the existence of economically viable reserves, the ability of the Company to obtain necessary financing to complete the exploration and development of its mineral properties and upon future profitable production or proceeds from disposition of its mineral interest.

These condensed interim financial statements have been prepared on the basis that the Company will continue as a going concern which assumes that the Company will be able to continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities and commitments in the normal course of operations. As an exploration stage company, the Company has incurred net operating losses since inception and the ability of the Company to continue as a going concern depends upon its ability to raise adequate financing and to ultimately develop profitable operations.

Since incorporation, the Company has raised equity financing from investors and expects these funds to provide for its early stage exploration and working capital needs for the next twelve months. Additional fundraising may involve further private placements, convertible debentures, third party earn-ins or joint ventures using debt or equity financing structures, to ensure the continuation of the Company’s operations.

There can be no assurances that the Company will be successful in raising additional cash to finance operations or that the continued support of shareholders will be available. These financial statements have been prepared using the going concern assumption, which assumes that the Company will continue in operation for the foreseeable future. The financial statements do not include any adjustments relating to the recoverability of assets and liabilities that might be necessary should the Company be unable to continue as a going concern. Such adjustments could be material.

HERCULES RESOURCES CORP.

Notes to the Condensed Interim Financial Statements

(Expressed in Canadian dollars)

(Unaudited)

For the three and six month periods ended March 31, 2023 and 2022

2. Basis of preparation:

(a) Statement of compliance:

These unaudited condensed interim financial statements have been prepared in accordance with International Accounting Standard IAS 34 – Interim Financial Reporting. The unaudited condensed interim financial statements, prepared in conformity with IAS 34, follow the same accounting principles and methods of application as the most recent audited annual financial statements. Since the unaudited condensed interim financial statements do not include all the disclosures required by the International Financial Reporting Standards (“IFRS”) for annual financial statements, they should be read in conjunction with the Company’s audited annual financial statements for the years ended September 30, 2022 and 2021.

(b) Basis of measurement:

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

(c) Functional and presentation currency:

These unaudited condensed interim financial statements are presented in Canadian dollars, which are the functional currency for the Company.

(d) Use of estimates and judgments:

The preparation of these unaudited condensed interim financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses.

Estimates and assumptions are continuously evaluated and are based on management’s experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. However, actual outcomes can differ from these estimates. Significant judgments made by management in the process of applying accounting policies and that have the most significant effect on the amounts recognized in the financial statements include capitalization of exploration assets and the application of the going concern assumption.

HERCULES RESOURCES CORP.

Notes to the Condensed Interim Financial Statements

(Expressed in Canadian dollars)

(Unaudited)

For the three and six month periods ended March 31, 2023 and 2022

3. Exploration asset:

	MP Copper Property
Balance, September 30, 2022	\$ 131,835
Additions:	
Acquisition costs (IPO shares issued to Optionee)	5,000
Geological and geophysical costs	98,535
Balance March 31, 2023	\$ 235,370
Balance, September 30, 2021	\$ 68,515
Additions:	
Acquisition costs	15,500
Geological and geophysical costs	55,419
Balance, March 31, 2022	\$ 139,434

The MP Copper Project (the "Property") consists of 6 mineral claims situated 30 kilometers southeast of Prince George, British Columbia.

On March 18, 2021, the Company entered into an option agreement (the "Option Agreement") consisting of four mineral claims.

On March 19, 2021, the Company staked 2 additional mineral claims under the Option Agreement. These two additional mineral claims are contiguous to the original four claims optioned on March 18, 2021 and form a part of the Property pursuant to the Option Agreement.

The Option Agreement has the following terms:

Date	Cash	Shares	Exploration Expenditures
On the Effective Date	\$10,000 (paid)	-	Such amount as is required to stake an additional 2,500 ha around the Property
Year 1 Anniversary Date	\$15,000 (paid)	-	\$50,000 or 1 years assessment, whichever is greater
On the date the Shares are listed on any recognized stock exchange in Canada	\$ -	50,000 (issued)	\$ -
Year 2 Anniversary Date	\$25,000	175,000	\$100,000 or 2 years assessment, whichever is greater
Year 3 Anniversary Date	\$45,000	325,000	\$200,000
Total	\$95,000	550,000	\$350,000

Pursuant to the terms of the Option Agreement, the Company has agreed to a 2.0% net smelter return royalty ("the MP Copper Royalty"). The Company has the right at any time after the exercise of the option to purchase from the optionors 1.0% of the MP Copper Royalty for an amount of \$500,000 per 0.5% payable in cash, for a total payment of \$1,000,000 to acquire one half of the MP Copper Royalty.

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For the three and six month periods ended March 31, 2023 and 2022

4. Accounts payable and accrued liabilities:

	March 31, 2023	March 31, 2022
Accounts payable	\$ 113,690	\$ 30,282
Accrued liabilities	25,500	11,500
	\$ 139,190	\$ 41,782

5. Share capital:

(a) Authorized share capital:

Unlimited voting, participating common shares, with no par value.

(b) Issued share capital:

On incorporation, the Company issued one common share for a nominal amount.

On February 18, 2021, the Company issued 4,000,000 common shares as seed capital, at a price of \$0.005 per common share, for proceeds of \$20,000 (note 6).

On June 30, 2021, the Company issued 8,000,000 common shares at a price of \$0.02 per common share, for proceeds of \$160,000.

On January 31, 2022, the Company issued 500,000 common at a price of \$0.05 per common share for proceeds of \$25,000 (note 6).

On March 31, 2022, the Company issued 2,750,000 common shares at a price of \$0.10 per common share, for proceeds of \$275,000. Of the total 2,750,000 common shares issued, 1,250,000 of those common shares were flow through shares.

On January 27, 2023, the Company completed its initial public offering of 2,541,000 common shares issued at a price of \$0.10 per share, for gross proceeds of \$254,100 pursuant to a prospectus dated October 31, 2022 (the "Prospectus").

A cash commission of 10% of the gross proceeds of the offering was paid to the Company's agent, Canaccord Genuity Corp. (the "Agent"), as well as a corporate finance fee of \$35,000 of which \$25,000 was paid in cash and the remaining \$10,000 through the issuance of 100,000 common shares at a deemed price of \$0.10 per share. In addition, the Agent and its selling group members received 254,100 non-transferable agent's warrants to acquire up to 254,100 shares at a price of \$0.10 per Share until January 27, 2025.

Pursuant to the MP Copper Project Option Agreement, the Company issued 50,000 common shares to the optionors as a result of the Company shares being listed on the CSE.

5. Share capital (continued):

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(c) Earnings per share computation:

The following table sets forth the computation of loss per common share:

	Three-month period ended March 31, 2023	Six-month period ended March 31, 2023
Loss for the period	\$ (66,961)	\$ (106,739)
Weighted average, common shares outstanding	16,206,800	15,338,357
Loss per share, basic and diluted	\$ (0.00)	\$ (0.01)

	Three-month period ended March 31, 2022	Six-month period ended March 31, 2022
Loss for the period	\$ (27,060)	\$ (36,174)
Weighted average, common shares outstanding	12,363,889	12,177,198
Loss per share, basic and diluted	\$ (0.00)	\$ (0.00)

6. Related party transactions:

Related parties include Board of Directors of the Company and the Company's key management personnel. The related party transactions are in the normal course of operations and have been valued in these financial statements at fair value, which is the amount of consideration established and agreed to by the related parties.

(a) Balances with related parties:

Amounts due to related parties, including amounts due to key management personnel, are unsecured, interest free and due on demand, and included in accounts payable and accrued liabilities. There was \$8,396 owed to a director for geological services and \$2,100 owed to the CFO for professional fees as at March 31, 2023. There was \$28,350 owed to the CEO for management fees and \$1,932 owed to the CFO for professional fees as at March 31, 2022.

(b) Transactions during the year with management consulting companies controlled by a director, the CEO and the Chief Financial Officer:

	Six-month period ended March 31, 2023	Six-month period ended March 31, 2022
Exploration asset – geological and geophysical costs	\$ 18,437	\$ 807
Management fees	22,000	18,000
Professional fees	7,700	1,840