

OMEGA PACIFIC RESOURCES INC.

FINANCIAL STATEMENTS

For the Year Ended October 31, 2023 and Period from June 3, 2022 (inception) to October 31, 2022
(Expressed in Canadian dollars)

OMEGA PACIFIC RESOURCES INC.

Index to Financial Statements

October 31, 2023

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Adam Kim

ADAM SUNG KIM LTD.
CHARTERED PROFESSIONAL ACCOUNTANT

INDEPENDENT AUDITOR'S REPORT

To: the Shareholders of
Omega Pacific Resources Inc.

Opinion

I have audited the financial statements of Omega Pacific Resources Inc. (the "Company"), which comprise the statements of financial position as at October 31, 2023 and October 31, 2022, and the statements of loss and comprehensive loss, statements of cash flows and statements of changes in equity for the year ended October 31, 2023 and for the period from the date of incorporation June 3, 2022 to October 31, 2022, and notes to the financial statements, including a summary of significant accounting policies.

In my opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at October 31, 2023 and October 31, 2022, and its financial performance and its cash flow for the year ended October 31, 2023 and for the period from the date of incorporation June 3, 2022 to October 31, 2022 in accordance with International Financial Reporting Standards (IFRSs).

Basis for Opinion

I conducted my audit in accordance with Canadian generally accepted auditing standards. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I am independent of the Company in accordance with the ethical requirements that are relevant to my audit of the financial statements in Canada, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Material Uncertainty Related to Going Concern

I draw attention to Note 1 in the financial statements, which indicates that the Company incurred a net loss of \$147,423 during the period ended October 31, 2023 and, as of that date, the Company had not yet achieved profitable operations, had accumulated losses of \$252,051 since its inception, and expects to incur further losses in the development of its business. As stated in Note 1, these events or conditions, along with other matters as set forth in Note 1, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. My opinion is not modified in respect of this matter.

Key Audit Matter

Key audit matters are those matters that, in my professional judgment, were of most significance in my audit of the financial statements for the year ended October 31, 2023. These matters were addressed in the context of my audit of the financial statements as a whole, and in forming my opinion thereon, and I do not provide a separate opinion on these matters.

In addition to the matter described in the "Material Uncertainty Related to Going Concern" section of the auditor's report, I have determined the matters described below to be the key audit matters to be communicated in my auditors' report.

Evaluation of indicators of impairment for mineral properties

Description of the matter

I draw attention to Notes 4 to the financial statements. The Company has mineral property costs of \$99,000 as at October 31, 2023. The carrying amounts of the Company's mineral properties are reviewed each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. Significant judgment is required in assessing indicators of impairment. The Company completes an evaluation at each reporting period of potential impairment indicators.

Why the matter is a key audit matter

I identified the evaluation of indicators of impairment for mineral properties as a key audit matter. This matter represented an area of significant risk of material misstatement given the magnitude of mineral properties. This matter was of most significance due to the difficulties in evaluating the result of my audit procedures to assess the Company's determination of whether the factors, individually and in the aggregate, resulted in indicators of impairment.

How the matter was addressed in the audit

The following are the primary procedures I performed to address this key audit matter.

I evaluated the Company's analysis of impairment indicators by:

- Obtaining an understanding of management's process for developing an assessment of the existence of impairment indicators.
- Assessing whether the information in the analysis was consistent with information included in internal communications to management and the Board of Directors, the Company's press releases, management's discussion and analysis, and other public filings
- Reading updated technical reports for any indicators of impairment arising from changes to estimates of mineral reserves and resources
- Considering evidence obtained in other areas of the audit, including the status of significant mineral licenses and expenditures on mineral properties, the results of exploration activities and any updates to estimates of mineral reserves and resources
- Comparing the Entity's market capitalization to the carrying value of its net assets.

Other Information

Management is responsible for the other information. The other information comprises the Management Discussion and Analysis.

My opinion on the financial statements does not cover the other information and I do not express any form of assurance conclusion thereon.

In connection with my audit of the financial statements, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact. I have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRSs, 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

My 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 my 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, I exercise professional judgment and maintain professional skepticism throughout the audit. I 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 my 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 I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my 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.

I 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 I identify during my audit.

I also provide those charged with governance with a statement that I 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 my independence, and where applicable, related safeguards.

The engagement partner on the audit resulting in this independent auditor's report is Adam Kim, CPA, CA.

“Adam Sung Kim Ltd.”
Chartered Professional Accountant

Unit# 172 – 4300 North Fraser Way
Burnaby, BC, Canada V5J 5J8
February 1, 2024

OMEGA PACIFIC RESOURCES INC.

Statement of Financial Position

(Expressed in Canadian dollars)

		October 31, 2023	October 31, 2022
	Notes	\$	\$
Assets			
Current assets			
Cash		348,205	505,098
GST receivable		831	-
Prepays and deposit		750	11,869
Total current assets		349,786	516,967
Non-current assets			
Mineral properties	4	99,000	16,000
Total Assets		448,786	532,967
Liabilities			
Current liabilities			
Accounts payable and accrued liabilities	5,7	19,091	18,849
Total Liabilities		19,091	18,849
Shareholders' Equity			
Share capital	6	681,746	389,596
Special warrants	6	-	229,150
Deficit		(252,051)	(104,628)
Total Shareholders' Equity		429,695	514,118
Total Liabilities and Shareholders' Equity		448,786	532,967

Nature and Continuation of Operations (Note 1)

Approved and authorized for dissemination by the Board of Directors on February 1, 2024:

*"Sheri Rempel"**Sheri Rempel, Director**"Shayne Taker"**Shayne Taker, Director**The accompanying notes are integral to these financial statements.*

OMEGA PACIFIC RESOURCES INC.*Statements of Loss and Comprehensive Loss*

For the year ended October 31, 2023 and the period from June 3, 2022 (inception) to October 31, 2022
(Expressed in Canadian dollars)

		For the year ended October 31, 2023	Period from June 3, 2022 (inception) to October 31, 2022
Operating Expenses			
Administration	\$	6	\$ 73
Professional fees		23,468	11,899
Listing expenses		41,222	-
Management and consulting fees		39,666	11,025
Regulatory and transfer agent fees		11,315	-
Exploration expenses		31,746	81,631
Loss and comprehensive loss	\$	(147,423)	\$ (104,628)
Basic and diluted loss per share	\$	(0.01)	\$ (0.02)
Weighted average number of common shares outstanding		20,173,982	5,069,537

The accompanying notes are integral to these financial statements.

OMEGA PACIFIC RESOURCES INC.*Statements of Changes in Shareholders' Equity*

For the year ended October 31, 2023 and the period from June 3, 2022 (inception) to October 31, 2022

(Expressed in Canadian dollars except the number of shares)

		Common Shares				
	Note	Number	Amount \$	Special Warrants \$	Deficit \$	Total \$
Balance at June 3, 2022		-	-	-	-	-
Shares issued for cash		17,500,001	395,000	-	-	395,000
Share issuance costs		-	(5,404)	-	-	-
Special warrants issued for cash		-	-	229,150	-	229,150
Net loss for the period		-	-	-	(104,628)	(104,628)
Balance at October 31, 2022		17,500,001	389,596	229,150	(104,628)	514,118
Shares issued for mineral property	5	200,000	63,000	-	-	63,000
Warrants converted to common shares, net of share issuance cost	5	2,783,000	229,150	(229,150)	-	-
Net loss for the year		-	-	-	(147,423)	(147,423)
Balance at October 31, 2023		20,483,001	681,746	-	(252,051)	429,695

The accompanying notes are integral to these financial statements.

OMEGA PACIFIC RESOURCES INC.*Statements of Cash Flows*

For the year ended October 31, 2023 and the period from June 3, 2022 (inception) to October 31, 2022
(Expressed in Canadian dollars)

	For the year ended October 31, 2023	Period from June 3, 2022 (inception) to July 31, 2022
	\$	\$
Operating activities		
Net loss	(147,423)	(104,628)
Changes in non-cash working capital items:		
Prepays and deposit	11,118	(11,869)
GST receivable	(831)	-
Accounts payable and accrued liabilities	243	18,849
Net cash flows used in operating activities	(136,893)	(97,648)
Investing activities		
Exploration and evaluation asset	(20,000)	(16,000)
Net cash flows used in investing activities	(20,000)	(16,000)
Financing activities		
Shares issued for cash, net of share issuance costs	-	389,596
Special warrants issued for cash	-	229,150
Net cash flows provided by financing activities	-	618,746
Net change in cash	(156,893)	505,098
Cash, beginning	505,098	-
Cash, ending	348,205	505,098
Supplemental cash flow information		
Cash paid for interest	-	-
Cash paid for income taxes	-	-
Conversion of special warrants	229,150	-
Shares issued for mineral property option payment	63,000	-

The accompanying notes are integral to these financial statements.

OMEGA PACIFIC RESOURCES INC.

Notes to the Financial Statements

For the year ended October 31, 2023 and the period from June 3, 2022 (inception) to October 31, 2022

(Expressed in Canadian dollars)

1. Nature of Operations and Going Concern

Omega Pacific Resources Inc. (the "Company") was incorporated under the *Business Corporations Act* (British Columbia) on June 3, 2022. On April 21, 2023, the Company's common shares commenced trading on the Canadian Securities Exchange under the symbol "OMGA".

The Company's head office and registered office address is 401 – 750 West Pender Street, Vancouver, British Columbia, Canada, V6C 2T7. The Company is a Canadian mineral exploration company focused on the acquisition, exploration and development of mineral projects in Canada.

The recovery of the amounts comprising mineral properties is dependent upon the confirmation of economically recoverable reserves, the ability of the Company to obtain necessary financing to successfully complete their exploration and development, and upon future profitable production.

These financial statements have been prepared by management on a going concern basis which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business for the foreseeable future. At October 31, 2023, the Company had not yet achieved profitable operations, had accumulated losses of \$252,051 since its inception, and expects to incur further losses in the development of its business, all of which casts significant doubt about the Company's ability to continue as a going concern. A number of alternatives including, but not limited to selling an interest in one or more of its properties or completing a financing, are being evaluated with the objective of funding ongoing activities and obtaining working capital. 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.

These financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts and classification of liabilities that might be necessary should the Company be unable to continue in existence.

In February 2022, Russia commenced a military invasion of Ukraine which generated a response in the form of strict economic sanctions from multiple countries and corporations around the world, including Canada. Although the Company does not have operations in Russia or Ukraine, the global impact of this conflict in commodity prices, foreign currency exchange rates, supply chain challenges and increased fuel prices may have adverse impacts on our costs of doing business.

2. Significant Accounting Policies and Basis of Preparation

Statement of compliance with International Financial Reporting Standards

These financial statements, including comparatives, have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and interpretations of the International Financial Reporting Interpretations Committee ("IFRC").

OMEGA PACIFIC RESOURCES INC.

Notes to the Financial Statements

For the year ended October 31, 2023 and the period from June 3, 2022 (inception) to October 31, 2022

(Expressed in Canadian dollars)

2. Significant Accounting Policies and Basis of Preparation (Continued)

Basis of preparation

These financial statements have been prepared on a historical cost basis, except for financial instruments classified as financial instruments at fair value through profit or loss, which are stated at fair value. In addition, these financial statements have been prepared using the accrual basis of accounting except for cash flow information. These financial statements are presented in Canadian dollars, which is the Company's functional currency.

Significant accounting judgments, estimates and assumptions

The preparation of the financial statements in conformity with IFRS requires management to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported revenues and expenses during this period.

Although management uses historical experience and its best knowledge of the amount, events, or actions to form the basis for judgments and estimates, actual results may differ from these estimates.

The most significant accounts that require estimates as the basis for determining the stated amounts include recognition of deferred tax amounts and provision for restoration, rehabilitation and environmental costs.

Critical judgments exercised in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements are as follows:

Economic recoverability and probability of future economic benefits of mineral properties

Management has determined that mineral property costs incurred which were capitalized have future economic benefits and are economically recoverable. Management uses several criteria in its assessments of economic recoverability and probability of future economic benefits including geological and metallurgic information, history of conversion of mineral deposits to proven and probable reserves, scoping and feasibility studies, accessible facilities, existing permits and life of mine plans.

Determination of functional currency

The Company determines the functional currency through an analysis of several indicators such as expenses and cash flow, financing activities, retention of operating cash flows, and frequency of transactions with the reporting entity.

OMEGA PACIFIC RESOURCES INC.

Notes to the Financial Statements

For the year ended October 31, 2023 and the period from June 3, 2022 (inception) to October 31, 2022

(Expressed in Canadian dollars)

2. Significant Accounting Policies and Basis of Preparation (Continued)

Significant accounting judgments, estimates and assumptions (continued)

Income taxes

In assessing the probability of realizing income tax assets, management makes estimates related to expectations of future taxable income, applicable tax opportunities, expected timing of reversals of existing temporary differences and the likelihood that tax positions taken will be sustained upon examination by applicable tax authorities. In making its assessments, management gives additional weight to positive and negative evidence that can be objectively verified.

Site decommissioning obligations

The Company recognizes a provision for future abandonment activities in the financial statements equal to the net present value of the estimated future expenditures required to settle the estimated future obligation at the statement of financial position date. The measurement of the decommissioning obligation involves the use of estimates and assumptions including the discount rate, the expected timing of future expenditures and the amount of future abandonment costs. The estimates were made by management and external consultants considering current costs, technology and enacted legislation. As a result, there could be significant adjustments to the provisions established which would affect future financial results.

Going concern

Management assesses the Company's ability to continue as a going concern at each reporting date, using all quantitative and qualitative information available. This assessment, by its nature, relies on estimates of future cash flows and other future events (as discussed in Note 1), whose subsequent changes could materially impact the validity of such an assessment.

Share capital

The Company records proceeds from share issuances net of issue costs and any tax effects in shareholders' equity. Common shares issued for consideration other than cash are valued based on fair value at the date the shares were issued. The fair value is determined by referring to concurrent financing or recent private placements for cash.

The Company has adopted the residual value method with respect to the measurement of shares and warrants issued as private placement units. The share component of the unit is measured at fair value determined by referring to concurrent financing or recent private placements for cash, and the warrant component is measured by reference to the residual value, if any. Any value allocated to the warrant component is credited to reserves.

OMEGA PACIFIC RESOURCES INC.

Notes to the Financial Statements

For the year ended October 31, 2023 and the period from June 3, 2022 (inception) to October 31, 2022

(Expressed in Canadian dollars)

2. Significant Accounting Policies and Basis of Preparation (Continued)

Loss per share

Basic loss per share is calculated by dividing the net loss available to common shareholders by the weighted average number of shares outstanding during the year. Diluted earnings per share reflect the potential dilution of securities that could share in earnings of an entity. In a loss year, potentially dilutive common shares are excluded from the loss per share calculation as the effect would be anti-dilutive. Basic and diluted loss per share are the same for the periods presented.

Impairment of non-financial assets

The carrying amount of the Company's assets is reviewed at each reporting date to determine whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss. An impairment loss is recognized whenever the carrying amount of an asset or its cash generating unit exceeds its recoverable amount. Impairment losses are recognized in the statement of loss and comprehensive loss.

The recoverable amount of assets is the greater of an asset's fair value less cost to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects the current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate cash inflows largely independent of those from other assets, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

An impairment loss is only reversed if there is an indication that the impairment loss may no longer exist and there has been a change in the estimates used to determine the recoverable amount, however, not to an amount higher than the carrying amount that would have been determined had no impairment loss been recognized in previous years. Assets that have an indefinite useful life are not subject to amortization and are tested annually for impairment.

Financial instruments

(i) Classification

The Company classifies its financial instruments in the following categories: at fair value through profit and loss ("FVTPL"), at fair value through other comprehensive income (loss) ("FVTOCI") or at amortized cost. The Company determines the classification of financial assets at initial recognition. The classification of debt instruments is driven by the Company's business model for managing the financial assets and their contractual cash flow characteristics. 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.

At October 31, 2023, the Company measured cash at FVTPL and accounts payable and accrued liabilities at amortized cost.

OMEGA PACIFIC RESOURCES INC.

Notes to the Financial Statements

For the year ended October 31, 2023 and the period from June 3, 2022 (inception) to October 31, 2022

(Expressed in Canadian dollars)

2. Significant Accounting Policies and Basis of Preparation (Continued)

Financial instruments (continued)

(ii) Measurement

Financial assets and liabilities at amortized cost

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.

Financial assets and liabilities at FVTPL

Financial assets and liabilities carried at FVTPL are initially recorded at fair value and transaction costs are expensed in the statements of comprehensive 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 the statements of loss and comprehensive loss in the period in which they arise.

Debt investments at FVTOCI

These assets are subsequently measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognized in profit or loss. Other net gains and losses are recognized in other comprehensive income ("OCI"). On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss.

Equity investments at FVTOCI

These assets are subsequently measured at fair value. Dividends are recognized as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognized in OCI and are never reclassified to profit or loss.

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 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 the statements of loss and comprehensive 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.

OMEGA PACIFIC RESOURCES INC.

Notes to the Financial Statements

For the year ended October 31, 2023 and the period from June 3, 2022 (inception) to October 31, 2022

(Expressed in Canadian dollars)

2. Significant Accounting Policies and Basis of Preparation (Continued)

Financial instruments (continued)

(iii) *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 the statements of loss and comprehensive loss.

Financial liabilities

The Company derecognizes a financial liability when its contractual obligations are discharged or cancelled or expired. The Company also derecognizes financial liability when the terms of the liability are modified such that the terms and/or cash flows of the modified instrument are substantially different, in which case a new financial liability based on the modified terms is recognized at fair value. Gains and losses on derecognition are generally recognized in profit and loss.

Mineral property

The Company charges all exploration and evaluation expenses incurred prior to the determination of economically recoverable reserves to operations. These costs would also include periodic fees such as license and maintenance fees.

The Company capitalizes direct mineral property acquisition costs and those expenditures incurred following the determination that the property has economically recoverable reserves. Mineral property acquisition costs include cash consideration, option payment under an earn-in arrangement and the fair value of common shares issued for mineral property interests, pursuant to the terms of the relevant agreement. These costs are amortized over the estimated life of the property following commencement of commercial production, or written off if the property is sold, allowed to lapse, or abandoned, or when impairment in value has been determined to have occurred. A mineral property is reviewed for impairment whenever events or changes in circumstances indicate that its carrying amount may not be recoverable.

The Company may occasionally enter into option-out arrangements, whereby the Company will transfer part of a mineral interest, as consideration, for an agreement by the transferee to meet certain exploration and evaluation expenditures which would otherwise be undertaken by the Company. The Company does not record any expenditures made by the optionee on its behalf. Any cash consideration received from the agreement is credited against the costs previously capitalized to the mineral interest given up by the Company, with any excess cash accounted as a gain on disposal.

OMEGA PACIFIC RESOURCES INC.

Notes to the Financial Statements

For the year ended October 31, 2023 and the period from June 3, 2022 (inception) to October 31, 2022

(Expressed in Canadian dollars)

2. Significant Accounting Policies and Basis of Preparation (Continued)

Income taxes

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

Deferred tax is recorded 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. Temporary differences are not provided for relating to goodwill not deductible for tax purposes, the initial recognition of assets or liabilities that affect neither accounting or taxable loss, and differences relating to investments in subsidiaries 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 end of the reporting period. A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized.

Share-based payments

Share-based payment arrangements in which the Company receives goods or services as consideration for its own equity instruments are accounted for as equity-settled transactions and, when determinable, are recorded at the value of the goods and services received. If the value of the goods and services received is not determinable, then the fair value of the equity instruments issued is used.

The Company uses a fair value-based method (Black-Scholes Option Pricing Model) for all share options granted to directors, employees, and certain non-employees. For directors and employees, the fair value of the share options is measured at the date of grant. For grants to non-employees where the fair value of the goods or services is not determinable, the fair value of the share options is measured on the date the services are received.

The fair value of share options is charged to profit or loss, with the offsetting credit to reserves. For directors, employees and consultants, the share options are recognized over the vesting period based on the best available estimate of the number of share options expected to vest. If options vest immediately, the expense is recognized when the options are issued.

Estimates are subsequently revised if there is any indication that the number of share options expected to vest differs from previous estimates. Any cumulative adjustment prior to vesting is recognized in the current period. No adjustment is made to any expense recognized in prior periods where vested. For non-employees, the share options are recognized over the related service period. When share options are exercised, the amounts previously recognized in reserves are transferred to share capital.

In the event share options are forfeited prior to vesting, the associated fair value recorded to date is reversed. The fair value of any vested share options that expire remain in reserves.

OMEGA PACIFIC RESOURCES INC.

Notes to the Financial Statements

For the year ended October 31, 2023 and the period from June 3, 2022 (inception) to October 31, 2022

(Expressed in Canadian dollars)

2. Significant Accounting Policies and Basis of Preparation (Continued)

Restoration and environmental obligations

The Company recognizes liabilities for statutory, contractual, constructive, or legal obligations associated with the retirement of long-term assets, when those obligations result from the acquisition, construction, development, or normal operation of the assets. The net present value of future restoration cost estimates arising from the decommissioning of plant and other site preparation work is capitalized to the related asset along with a corresponding increase in the restoration provision in the period incurred. Discount rates using a pre-tax rate that reflect the time value of money are used to calculate the net present value.

The Company's estimates of reclamation costs could change as a result of changes in regulatory requirements, discount rates and assumptions regarding the amount and timing of the future expenditures. These changes are recorded directly to the related assets with a corresponding entry to the rehabilitation provision. The increase in the provision due to the passage of time is recognized as interest expense.

As at October 31, 2023, the Company, given the early stage of exploration on its mineral properties, has no reclamation costs and therefore no provision for environmental rehabilitation has been made.

3. Prepaid and deposit

	October 31, 2023	October 31, 2022
	\$	\$
Professional fees	-	8,500
Exploration expenses	-	3,369
Regulatory and transfer agent fees	750	-
Total prepaids and deposit	750	11,869

4. Mineral property and Exploration expenses

The following summarizes the cumulative costs capitalized as exploration and evaluation asset as at October 31, 2023 and 2022:

	\$
Property acquisition costs	
Balance, June 3, 2022	-
Addition: property option payment	16,000
Balance, October 31, 2022	16,000
Add: property option payments	83,000
Balance, October 31, 2023	99,000

OMEGA PACIFIC RESOURCES INC.

Notes to the Financial Statements

For the year ended October 31, 2023 and the period from June 3, 2022 (inception) to October 31, 2022

*(Expressed in Canadian dollars)***4. Mineral property and Exploration expenses (Continued)**

The exploration expenses incurred on the Lekcin property during the year ended October 31, 2023 are presented in the following table:

	\$
Assays	112
Camp costs	387
Equipment rental	693
Field support and supplies	188
Geological consulting	26,057
Geological field supervision	2,588
Other expenses	223
Transportation and travel	1,498
Total	31,746

The exploration expenses incurred on the Lekcin property for the period from June 3, 2022 (inception) to October 31, 2022 are presented in the following table:

	\$
Geographical Consulting	42,108
Equipment rentals	930
Transportation and travel	11,110
Field support and supplies	2,790
Geochemical sampling	15,249
Geological field supervision	8,662
Other expenses	782
Total	81,631

Lekcin property

On August 10, 2022, the Company entered into a Binding Letter Agreement (the "Agreement") whereby the Company will have the right to earn a 100% interest in the Lekcin property. The Lekcin property is located in the New Westminster Mining Division, British Columbia, Canada. Pursuant to the terms of the Agreement, the Company can earn a 100% interest in the Lekcin property by making the following payments to the optionors:

OMEGA PACIFIC RESOURCES INC.

Notes to the Financial Statements

For the year ended October 31, 2023 and the period from June 3, 2022 (inception) to October 31, 2022

*(Expressed in Canadian dollars)***4. Mineral property and Exploration expenses (Continued)*****Lekcin property (continued)***

Cash payment amount to Optionors	Shares to be issued to Optionors	Minimum exploration requirements
\$16,000 within 7 business days of signing the agreement (paid).	100,000 shares to be issued within 10 days of listing on a Canadian stock exchange (issued).	\$75,000 to be spent on or before the 1st anniversary date of the effective date (met).
\$20,000 to be paid on or before the 1st anniversary date (paid).	100,000 shares to be issued on the 1st anniversary date of the Agreement (issued)	\$120,000 to be spent on or before the 2nd anniversary date of the effective date.
\$32,000 to be paid on or before the 2nd anniversary date.	200,000 shares to be issued on the 2nd anniversary date of the Agreement.	\$240,000 to be spent on or before the 3rd anniversary date of the effective date.
\$48,000 to be paid on or before the 3rd anniversary date.	200,000 shares to be issued on the 3rd anniversary date of the Agreement.	\$600,000 to be spent on or before the 4th anniversary date of the effective date.
\$84,000 to be paid on or before the 4th anniversary date.	400,000 shares to be issued on the 4th anniversary date of the Agreement.	
Total cash \$200,000	1,000,000 shares	\$1,035,000

Excess expenditures from one year can be applied to the next. If there is a shortfall in exploration expenditures in any one year, the Agreement can be maintained in good standing by making a payment, in the equivalent cash, of the shortfall to Optionor. If the optionee spends more funds in one year than prescribed by this section, the surplus will be applied and carried forward to the following years.

In addition, the optionor will receive an additional 500,000 shares on the confirmation of a resource on the Lekcin property and an additional 500,000 shares upon a decision by the optionee to produce minerals from the property.

The Lekcin property is subject to a 2% Net Smelter Royalty (“NSR”) royalty in favor of the property Optionors. The Company has the right to purchase 1% of the NSR for \$3,200,000 any time prior to the commencement of commercial production. The NSR buy-out price will be adjusted annually according to the consumer price index with a base of December 31, 2025.

Pursuant to the Leckin property agreement, during the year ended October 31, 2023, the Company issued 100,000 common shares of the Company at a fair value of \$35,000 on April 28, 2023, 100,000 common shares of the Company at a fair value of \$28,000 on August 10, 2023 (2022 - \$nil) (Note 6) and paid cash of \$20,000 on August 10, 2023 (2022 - \$16,000).

During the year ended October 31, 2023, the Company incurred \$31,746 (2022 - \$81,631) of exploration costs which have been expensed on the statement of loss and comprehensive loss.

OMEGA PACIFIC RESOURCES INC.

Notes to the Financial Statements

For the year ended October 31, 2023 and the period from June 3, 2022 (inception) to October 31, 2022

*(Expressed in Canadian dollars)***5. Accounts Payable and Accrued Liabilities**

	October 31, 2023	October 31, 2022
	\$	\$
Accounts payable	4,191	-
Amounts due to related parties (Note 7)	7,400	7,175
Accrued liabilities	7,500	11,674
Accounts payable and accrued liabilities	19,091	18,849

6. Share Capital***Authorized***

Unlimited number of common shares without par value.

Issued share capital

As at October 31, 2023, there were 20,483,001 common shares issued and outstanding (October 31, 2022 – 17,500,001).

During the year ended October 31, 2023

On August 10, 2023, the Company issued 100,000 common shares with a fair value of \$28,000 pursuant to the Lekcin property agreement (Note 4).

On April 28, 2023, the Company issued 100,000 common shares with a fair value of \$35,000 pursuant to the Lekcin property Agreement (Note 4).

On November 25, 2022, the Company converted 783,000 special warrants into 783,000 common shares with a fair value of \$38,281.

On November 25, 2022, the Company converted 2,000,000 units of special warrants into one common shares and one-half share purchase warrant with a fair value of \$200,000. In connection with the conversion of special warrants, the Company issued 1,000,000 warrants. Each warrant allows the holder to acquire one common share of the Company for an exercise price of \$0.12 with an expiry date of November 25, 2027.

The Company incurred \$9,131 in share issuance costs related to the November 25, 2022, conversion of special warrants to common shares.

OMEGA PACIFIC RESOURCES INC.

Notes to the Financial Statements

For the year ended October 31, 2023 and the period from June 3, 2022 (inception) to October 31, 2022

*(Expressed in Canadian dollars)***6. Share Capital (Continued)*****Issued share capital (continued)***Period from June 3, 2022 (inception) to October 31, 2022

As at October 31, 2022, there were 17,500,001 common shares issued and outstanding.

On June 3, 2022, the Company issued 1 founder share for \$0.005.

On June 5, 2022, the Company completed a private placement of 4,000,000 common shares at \$0.005 per share for gross proceeds of \$20,000.

On October 15, 2022, the Company issued 3,500,000 units upon conversion of special warrants for gross proceeds of \$175,000. Each Unit was comprised of one common share and one share purchase warrant which are exercisable at \$0.10 per share until October 15, 2027.

On October 15, 2022, the Company issued 10,000,000 units upon conversion of special warrants for gross proceeds of \$200,000. Each Unit was comprised of one common share and one-half share purchase warrant which are exercisable at \$0.10 per share until October 15, 2027.

The Company incurred \$5,404 in share issuance costs related to the October 15, 2022, private placements.

Special warrants

A summary of the continuity of the Company's special warrants during the year ended October 31, 2023 and period from June 3, 2022 (inception) to October 31, 2022 is as follows:

	Number of Special Warrants
Balance, June 3, 2022	-
Issued	16,283,000
Converted	(13,500,000)
Balance, October 31, 2022	2,783,000
Converted	(2,783,000)
Balance, October 31, 2023	-

On July 15, 2022, the Company closed its special warrant offering by issuing 10,000,000 units of special warrants which entitles the holder to automatically receive one common share and one-half share purchase warrant, on the conversion date solely determined by the Company. On October 15, 2022, these special warrants were converted to 10,000,000 common shares and 5,000,000 warrants. Each warrant gives the holder the right to acquire one common share of the Company at a price of \$0.10 until October 15, 2027.

OMEGA PACIFIC RESOURCES INC.

Notes to the Financial Statements

For the year ended October 31, 2023 and the period from June 3, 2022 (inception) to October 31, 2022

(Expressed in Canadian dollars)

6. Share Capital (Continued)

Special warrants (continued)

On August 20, 2022, the Company closed its special warrant offering by issuing 3,500,000 units of special warrant which entitles the holder to automatically receive one common share and one share purchase warrant, on the conversion date solely determined by the Company. On October 15, 2022, these special warrants were converted to 3,500,000 common shares and 3,500,000 warrants. Each warrant gives the holder the right to acquire one common share of the Company at a price of \$0.10 until October 15, 2027.

On September 28, 2022, the Company closed a special warrant offering of 583,000 for gross proceeds of \$29,150. An additional 200,000 special warrants were issued as a service fee with a fair value of \$9,131 using the Black-Scholes pricing model. The fair value was measured using the following assumptions: share price of \$0.05; exercise price of \$0.05; expected life of 5 years; volatility of 149.71%; dividend yield of \$Nil; and a risk-free-rate of 3.20%. These special warrants will be converted to a common share on a date solely determined by the Company on or before the Company's shares begin trading on a Canadian stock exchange.

On October 30, 2022, the Company closed its special warrant offering by issuing 2,000,000 units of special warrants which entitles the holder to automatically receive one common share and one-half share purchase warrant, on the conversion date solely determined by the Company or before the Company's shares begin trading on a Canadian stock exchange. Each warrant gives the holder the right to acquire one common share of the Company at a price of \$0.12 for a period of five years.

Stock Options

As at October 31, 2023 and 2022 the Company had no stock options outstanding.

Warrants

A summary of the continuity of the Company's warrants during the year ended October 31, 2023 and the period from June 3, 2022 (inception) to October 31, 2022 is as follows:

	Number of Warrants	Weighted Average Exercise Price (\$)
Balance, June 3, 2022	-	-
Issued	8,500,000	0.07
Balance, October 31, 2022	8,500,000	0.10
Issued	1,000,000	0.12
Balance, October 31, 2023	9,500,000	0.10

OMEGA PACIFIC RESOURCES INC.

Notes to the Financial Statements

For the year ended October 31, 2023 and the period from June 3, 2022 (inception) to October 31, 2022

(Expressed in Canadian dollars)

6. Share Capital (Continued)

Warrants (continued)

Warrants outstanding and exercisable at October 31, 2023 are as follows:

Number of Warrants	Exercise Price (\$)	Expiry Date	Weighted Average Remaining Life
8,500,000	0.10	October 15, 2027	3.96
1,000,000	0.12	November 25, 2027	4.08
9,500,000			3.97

7. Related Party Transactions

Balances

At October 31, 2023, accounts payable and accrued liabilities include \$7,400 (October 31, 2022 - \$7,175) owing to ARO Consulting Inc., a company controlled by one of Omega's directors (Note 5). This amount is unsecured, non-interest bearing and has no fixed terms of repayment.

Transactions

The Company incurred \$39,666 (2022 - \$11,025) in management and consulting fees to ARO Consulting Inc., a company controlled by one of the Company's during the year ended October 31, 2023.

All related party transactions are in the normal course of operations and have been measured at the agreed to amount, which is the amount of consideration established and agreed to by the related parties.

8. Capital Management

The Company defines its capital as shareholders' equity. The Company manages its capital structure and makes adjustments to it, based on the funds available to the Company, in order to support the acquisition and exploration and development of mineral properties. The Board of Directors do not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business. The properties in which the Company currently has an interest are in the exploration stage. As such, the Company has historically relied on the equity markets to fund its activities. In addition, the Company is dependent upon external financings to fund activities. In order to carry out planned exploration and pay for administrative costs, the Company will need to raise additional funds. The Company will continue to assess new properties and seek to acquire an interest in additional properties if it feels there is sufficient geologic or economic potential and if it has adequate financial resources to do so. Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable. There were no changes in the Company's approach to capital management during the year ended October 31, 2023.

The Company is not subject to externally imposed capital requirements.

OMEGA PACIFIC RESOURCES INC.

Notes to the Financial Statements

For the year ended October 31, 2023 and the period from June 3, 2022 (inception) to October 31, 2022

(Expressed in Canadian dollars)

9. Financial Instruments

The Company's financial instruments consist of cash and accounts payable and accrued liabilities and the carrying values approximate their fair values because of the relatively short-term nature of the instruments. These estimates are subjective and involve uncertainties and matters of significant judgment and therefore cannot be determined with precision. Changes in assumption could significantly affect the estimates.

There are three levels of the fair value hierarchy as follows:

- Level 1: Values based on unadjusted quoted prices in active markets that are accessible at the measurement date for identical assets or liabilities.
- Level 2: Values based on quoted prices in markets that are not active or model inputs that are observable either directly or indirectly for substantially the full term of the asset or liability.
- Level 3: Values based on prices or valuation techniques that require inputs that are both unobservable and significant to the overall fair value measurement.

The Company's cash is considered to be Level 1 within the fair value hierarchy.

The Company is exposed in varying degrees to a variety of financial instrument-related risks. The Board of Directors approves and monitors the risk management process, inclusive of documented investment policies, counterparty limits, and controlling and reporting structures. The type of risk exposure and the way in which such exposure is managed is summarized as follows:

Foreign exchange risk

The Company's functional and reporting currency is the Canadian dollar and major purchases are transacted in Canadian dollars. As a result, the Company's exposure to foreign currency risk is minimal.

Credit risk

The Company's cash is held in large Canadian financial institutions. The Company has not experienced nor is exposed to any significant credit losses. As a result, the Company's exposure to credit risk is minimal.

Market risk

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

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. As the Company has no interest-bearing assets or liabilities, the Company is not exposed to significant interest rate risk.

OMEGA PACIFIC RESOURCES INC.

Notes to the Financial Statements

For the year ended October 31, 2023 and the period from June 3, 2022 (inception) to October 31, 2022

(Expressed in Canadian dollars)

9. Financial Instruments (Continued)

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 has a planning and budgeting process in place to help determine the funds required to support the Company's normal operating requirements on an ongoing basis. The Company aims to have sufficient funds to meet its short-term business requirements, taking into account its anticipated cash flows from its ability to raise equity capital or borrowing sufficient funds and its holdings of cash and cash equivalents.

Price risk

The ability of the Company to explore its mineral properties and the future profitability of the Company are directly related to the market price of precious metals. The Company monitors precious metals prices to determine the appropriate course of action to be taken by the Company.

10. Segmented Information

The Company operates in one reportable operating segment, which is the mining and exploration sector in Canada. As the operations comprise a single reporting segment, amounts disclosed also represent segment amounts.

11. Income Tax

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

	October 31, 2023	October 31, 2022
	\$	\$
Net loss for the period	(147,423)	(104,628)
Statutory tax rate	27%	27%
Expected income tax recovery	(39,804)	(28,250)
Items deductible and not deductible for income tax purposes	(2,467)	(1,459)
Current and prior tax attributes not recognized	42,271	29,709
Deferred income tax recovery	-	-

OMEGA PACIFIC RESOURCES INC.

Notes to the Financial Statements

For the year ended October 31, 2023 and the period from June 3, 2022 (inception) to October 31, 2022

(Expressed in Canadian dollars)

11. Income Tax (Continued)

Details of deferred tax assets are as follows:

	October 31, 2023	October 31, 2022
	\$	\$
Non-capital loss	38,519	6,501
Resource expenditure	30,612	22,041
Share issuance costs	2,848	1,167
Less: Unrecognized deffered tax assets	(71,979)	(29,709)
	-	-

The Company has approximately \$143,000 of non-capital losses available, which will expire through to 2043 and may be applied against future taxable income. The Company also has approximately \$212,000 of exploration and development costs which are available for deduction against future income for tax purposes. At October 31, 2023, the net amount which would give rise to a deferred income tax asset has not been recognized as it is not probable that such benefit will be utilized in the future years.