



CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED MARCH 31, 2023 AND 2022
(Unaudited)

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

CONDENSED INTERIM FINANCIAL REPORTING

The accompanying unaudited condensed interim financial statements of Western Star Resources Inc. ("the Company") have been prepared by management in accordance with International Reporting Standards ("IFRS"). Management acknowledges responsibility for the preparation and presentation of the unaudited condensed interim financial statements, including responsibility for significant accounting estimates and the choice of accounting principles and methods that are appropriate to the Company's circumstances.

NOTICE OF NO AUDITOR REVIEW OF INTERIM FINANCIAL STATEMENTS

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

WESTERN STAR RESOURCES INC.
Condensed Interim Statements of Financial Position
(Expressed in Canadian dollars)
(Unaudited)

As at	March 31, 2023	December 31, 2022
	\$	\$
ASSETS		
Current		
Cash (Note 4)	212,837	296,129
Accounts receivable (Note 5)	16,297	13,889
Prepaid expense	-	5,000
Total current assets	229,134	315,018
Prepaid exploration expenditures	4,000	4,000
Security deposit (Note 6)	21,000	21,000
Mineral property and exploration expenditures (Note 6)	157,179	157,179
Total assets	411,313	497,197
LIABILITIES		
Current		
Accounts payables (Note 7)	58,350	43,554
Accrued liabilities	-	3,150
Due to related parties (Note 7)	-	2,282
Total current liabilities	58,451	48,986
Long term payable (Note 6)	-	50,000
Total liabilities	58,350	98,986
EQUITY		
Share capital and reserves (Note 8)	797,100	797,100
Accumulated deficit	(444,137)	(398,889)
Total equity	352,963	398,211
Total liabilities and equity	411,313	497,197

Nature of Operations and Going Concern (Note 1)
Commitments and Contingencies (Notes 6 and 9)

Approved on behalf of the Board of Directors on May 30, 2023:

“Blake Morgan” (signed)

Director

“Dallas Miller” (signed)

Director

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

WESTERN STAR RESOURCES INC.
Condensed Interim Statements of Loss and Comprehensive Loss
(Expressed in Canadian dollars)
(Unaudited)
For the three months ended March 31,

	2023	2022
	\$	\$
Consulting fees (Note 7)	-	25,000
Office, general and administration	1,011	32
Professional fees (Note 7)	25,947	-
Transfer agent and filing fees	18,290	-
Net loss and comprehensive loss	(45,248)	(25,032)
Loss per share - basic and diluted	(0.00)	(0.00)
Weighted average number of common shares - basic and diluted	11,396,000	5,656,000

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

WESTERN STAR RESOURCES INC.
Condensed Interim Statements of Changes in Equity
(Expressed in Canadian dollars)
(Unaudited)

	<u>Share Capital</u>				
	Number of shares	Amount	Shares to be issued	Accumulated deficit	Total
Balance at December 31, 2021	5,656,000	223,100	10,000	(229,342)	3,758
Net loss for the year	-	-	-	(169,547)	(169,547)
Shares issuance for cash	5,740,000	574,000	(10,000)	-	564,000
Balance at December 31, 2022	11,396,000	797,100	-	(398,889)	398,211
Net loss for the period	-	-	-	(45,248)	(45,248)
Balance at March 31, 2023	11,396,000	797,100	-	(444,137)	352,963

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

WESTERN STAR RESOURCES INC.
Condensed Interim Statements of Cash Flows
(Expressed in Canadian dollars)
(Unaudited)

	Three Months Ended March 31, 2023 \$	Three Months Ended March 31, 2022 \$
Operating activities		
Net loss for the period	(45,248)	(25,032)
Change in non-cash working capital		
Accounts receivable	(2,408)	4,876
Prepaid expenses	5,000	-
Accrued liabilities	(3,150)	-
Accounts payables	(35,204)	-
Due to related parties	(2,282)	-
Cash used in operating activities	(83,292)	(20,156)
Financing activities		
Issuance of share capital for cash	-	-
Share subscription received	-	120,000
Cash provided by financing activities	-	120,000
Increase (decrease) in cash	(83,292)	99,844
Cash, beginning of period	296,129	53,530
Cash, end of period	212,837	153,374
Supplementary Information		
Interest paid	-	-
Income tax paid	-	-

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

WESTERN STAR RESOURCES INC.
Notes to the Condensed Interim Financial Statements
For the three-month period ended March 31, 2023 and 2022
(Expressed in Canadian dollars)
(Unaudited)

1. NATURE OF OPERATIONS AND GOING CONCERN

Western Star Resources Inc. (“WS” or the “Company”) was incorporated under the *Business Corporation Act* of British Columbia in Canada on July 20, 2020. The Company’s head office is located at Unit 114B – 8988 Fraserton Court, Burnaby, BC V5J 5H8. The Company is an exploration stage company and currently has interests in exploration properties in British Columbia, Canada. Substantially all of the Company’s efforts are devoted to financing, exploring and evaluating these properties. There has been no determination whether the Company’s interests in mineral properties contain mineral reserves which are economically recoverable.

On January 25, 2023, the Company obtained a final receipt of the Long Form Prospectus from the British Columbia Securities Commission to become a reporting issuer. The Company also received the final approval to be listed on the Canadian Securities Exchange (“CSE”) on February 7, 2023 and has commenced listing of its common shares for trading on CSE since February 9, 2023 under the symbol (“WSR”).

As at March 31, 2023, the Company had working capital of \$170,784 (December 31, 2022 - \$266,032), had not yet achieved profitable operations, had accumulated deficit of \$444,137 (December 31, 2022 - \$398,889) and expects to incur further losses in the development of its business. These conditions indicate the existence of a material uncertainty that cast significant doubt as to whether the Company can continue as a going concern. These condensed interim 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.

The business of exploring for minerals involves a high degree of risk and there can be no assurance that current exploration programs will result in profitable mining operations. The Company’s continued existence is dependent upon the preservation of its interest in the underlying properties, the discovery of economically recoverable reserves, the achievement of profitable operations, and the ability of the Company to raise alternative financing, if necessary, or alternatively upon the Company’s ability to dispose of its interests on an advantageous basis, all of which are uncertain. Failure to achieve the above could have a significant impact on the Company’s ability to continue as a going concern.

Although the Company has taken steps to verify title to the properties on which it is conducting exploration and evaluation activities, and in which it has an interest, in accordance with industry standards for the current stage of exploration of such properties, these procedures do not guarantee the Company’s title. Property title may be subject to unregistered prior agreements, non-compliance with regulatory requirements or aboriginal land claims.

On March 11, 2020, the World Health Organization declared a global pandemic. In order to combat the spread of COVID-19 governments worldwide have enacted emergency measures including travel bans, legally enforced or self-imposed quarantine periods, social distancing and business and organization closures. These measures have caused material disruptions to businesses, governments and other organizations resulting in an economic slowdown and increased volatility in national and global equity and commodity markets. Central banks and governments, including Canadian federal and provincial governments, have reacted with significant monetary and fiscal interventions designed to stabilize economic conditions. The duration and impact of the COVID-19 outbreak is unknown at this time, as is the efficacy of any interventions. It is not possible to reliably estimate the length and severity of these developments and the impact on the financial results and condition of the Company and its operations in future periods.

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2. BASIS OF PREPARATION

2.1 Statement of compliance and presentation

These condensed interim financial statements, including comparatives, have been prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”) applicable to the preparation of interim financial statements, including International Accounting Standards (“IAS”) 34 “Interim Financial Reporting”.

This condensed interim financial report does not include all of the information required of a full annual financial report and is intended to provide users with an update in relation to events and transactions that are significant to an understanding of the changes in financial position and performance of the Company since the end of the last annual reporting period. It is therefore recommended that this financial report be read in conjunction with the annual audited financial statements of the Company for the year ended December 31, 2022. The accounting policies applied in preparation of these condensed interim financial statements are consistent with those applied and disclosed in the Company’s audited financial statements for the year ended December 31, 2022.

2.2 Basis of measurement

The condensed interim financial statements have been prepared on the historical cost basis except for financial instruments measured at fair value, as explained in the accounting policies set out in Note 3 of the audited financial statements for the period ended December 31, 2022. In addition, these condensed interim financial statements have been prepared using the accrual basis of accounting except for cash flow information. The Company’s reporting and functional currency is the Canadian dollar.

2.3 Accounting standards issued but not yet effective

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

2.4 Use of management estimates, judgments and measurement uncertainty

The preparation of these condensed interim financial statements using accounting policies consistent with IFRS requires management to make judgments and estimates and form assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the condensed interim financial statements and reported amounts of revenues and expenses during the reporting period. Such estimates primarily relate to unsettled transactions and events as at the date of the financial statements. On an ongoing basis, management evaluates its judgments and estimates in relation to assets, liabilities, revenue and expenses. Management uses historical experience and various other factors it believes to be reasonable under the given circumstances as the basis for its judgments and estimates. Actual outcomes may differ from these estimates under different assumptions and conditions. The most significant estimates relate to the calculation of warrants.

Significant estimates and judgments made by management in the preparation of these condensed interim financial statements are outlined below:

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2. BASIS OF PREPARATION (continued)

2.4 Use of management estimates, judgments and measurement uncertainty (continued)

Impairment assessment of exploration and evaluation assets

All capitalized exploration and evaluation assets are monitored for indications of impairment at each reporting period. Management considers both external and internal sources of information in assessing whether there are any indications that the Company's mining properties and exploration and evaluation assets are impaired.

External sources of information management consider include changes in the market, economic and legal environments, in which the Company operates, that are not within its control and that affect the recoverable amount of its mining properties.

Impairment assessment of exploration and evaluation assets(continued)

Internal sources of information that management considers include (i) the manner in which mining properties are being used, or are expected to be used and the period for which the Company has the right to explore in the specific area; (ii) indications of economic performance of the assets; (iii) whether substantive expenditure on further exploration for and evaluation of mineral resources in the specific area is neither budgeted nor planned; and (iv) whether sufficient data exists to indicate that, although a development in the specific area is likely to proceed, the carrying amount of the exploration and evaluation assets is unlikely to be recovered in full from successful development or by sale.

As at March 31, 2023 and December 31, 2022, the Company has assessed that there are no impairment indicators with respect to its exploration and evaluation assets.

Going concern

The determination that the Company will continue as a going concern for the next year requires significant judgement. The factors considered by management are discussed in Note 1.

3. FINANCIAL RISK FACTORS

Credit Risk

The Company's credit risk is primarily attributable to cash. The Company has no significant concentration of credit risk arising from operations. The Company's current policy is to invest excess cash in interest bearing deposits issued by its banking institutions.

The Company's maximum exposure to credit risk as at March 31, 2023 is the carrying value of cash, and accounts receivables. The majority of the Company's cash is held in Canadian chartered banks.

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3. FINANCIAL RISK FACTORS (continued)

Market Risk

Foreign Currency Risk

The Company's exploration and evaluation activities are substantially denominated in Canadian dollars. The Company does not subject to significant foreign currency risk.

Equity Price Risk

Market risk arises from the possibility that changes in market prices will affect the value of the financial instruments of the Company. The Company has no exposure to fair value fluctuations. The Company's financial instruments are not subject to equity price risk.

Fair Value

Cash, and accounts receivables are measured at amortized cost which approximates fair value due to their short-term nature. Accounts payable, accrued liabilities and due to related parties are measured at amortized cost which also approximates fair value due to their short-term nature. Long term payable in the amount of \$50,000, is measured at the amortization cost representing the acquisition cost due on March 7, 2024 (Note 6). The fair value of long term payable calculated based on future cash outflow discounted at the interest rate applicable to the Company is not materially different from its carrying value as at December 31, 2022. .

The fair value hierarchy has the following levels:

- Level one includes quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level two includes inputs that are observable other than quoted prices included in level one.
- Level three includes inputs that are not based on observable market data.

As at March 31, 2023, the Company does not have any financial instruments measured at fair value and that require classification within the fair value hierarchy.

Liquidity Risk

The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. As at March 31, 2023, the Company had current assets of \$229,134 and current liabilities of \$58,350. The Company's trade and other payables and receivables are subject to normal trade terms. As at March 31, 2023, the Company had working capital of \$170,784.

Interest Rate Risk

The Company is not exposed to interest rate risk due to the short-term nature of its financial instruments.

4. CASH

The balance at March 31, 2023 consists of cash on deposit with Canadian banks in general interest-bearing accounts totaling \$212,837.

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5. ACCOUNTS RECEIVABLE

The Company's accounts receivable arise from harmonized sales tax ("GST/HST") due from the Canadian government.

	<u>As at December 31</u>	<u>As at December 31</u>
	<u>2022</u>	<u>2022</u>
GST/HST receivable	\$ 16,297	\$ 13,889
Total trade and other receivables	\$ 16,297	\$ 13,889

6. MINERAL PROPERTIES AND EXPLORATION AND EVALUATION EXPENDITURES

The evaluation and exploration expenses for the Company are segregated as follows:

	<u>March 31</u>	<u>December 31</u>
	<u>2023</u>	<u>2022</u>
Opening balance	\$ 157,179	\$ 142,179
Exploration expenditures	-	15,000
Total	\$ 157,179	\$ 157,179

Western Star Claims

On July 28, 2020, the Company acquired a 100% interest in 9 mineral claims covering property located in British Columbia, Canada from an arms-length individual (the "Vendor").

According to the sale and purchase agreement, the Company agreed to:

- pay to the Vendor the sum of \$20,000 on signing (Paid);
- pay to the Vendor the sum of \$50,000 within 365 days from signing (Extended - see below) (As at December 31, 2022 and December 31, 2021, this amount has been accrued and recorded as acquisition cost of Western Star claims);
- perform \$80,000 worth of exploration work by Vendor on the property within 3 months of signing (Completed);
- an NSR of 1.5% shall be retained by the Vendor of which the NSR can be purchased from the Seller at any time for \$1,500,000.

The Company received a refund of BC Mining Tax credits of \$24,505 for work performed on its mineral property during the year ended December 31, 2021.

To prepare for the work permit applied in relation to the notice of work and reclamation program submitted to the Ministry of Energy, Mines and Low Carbon Innovation ("the Ministry"), the Company posted a security deposit in the form of a GIC of \$21,000 with Bank of Montreal and signed the safe keeping agreement with the Ministry.

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6. MINERAL PROPERTIES AND EXPLORATION AND EVALUATION EXPENDITURES

On March 18, 2021, the Company amended the sale & purchase agreement with the Vendor by inserting an addendum to the agreement to extend the payment expiry date for the remaining purchase price of the mineral claims of \$50,000 till September 18, 2022. The Company entered into an amendment to the option purchase agreement, dated December 8, 2022, removing the requirement to make the \$50,000 cash payment on the anniversary of the agreement, and instead requiring the \$50,000 cash payment to be made within 13 months of the listing of the common shares of the Company on a stock exchange (Note 1). The option purchase agreement is otherwise unchanged and remains in full force and effect. The remaining purchase price of the mineral claims is due on March 9, 2024 and included in accounts payable as at March 31, 2023.

7. RELATED PARTY DISCLOSURES

Related party transactions were conducted in the normal course of operations and have been measured at the exchange amount of consideration agreed between the related parties. Related party transactions not disclosed elsewhere in these condensed interim financial statements are listed below.

As at March 31, 2023, \$5,250 was included in accounts payable and accrued liabilities owing to an officer of the Company in relation to services provided.

Due to related parties include payable to the former CEO and the former CFO in the amount of \$Nil (December 31, 2022 - \$2,269) and \$Nil (December 31, 2022 - \$13) respectively. These due to parties payable are non-secured and non-interest bearing with no fixed terms of repayment.

Paid or accrued professional fees of \$5,000 (2022 - \$Nil) to a company controlled by the Chief Financial Officer of the Company.

In October 2021, the Company entered a strategic consulting agreement with an entity controlled by an individual who became a director of the Company in June 2022, pursuant to which the Company agreed to pay \$100,000 (paid in May 2022) for the twelve months services upon completion of a financing raising minimum of \$400,000. During the period ended March 31, 2022, the Company recorded \$25,000 consulting service relating to this agreement.

Key management personnel comprise the Company's board of directors and executive officers. Other than those disclosed above, no other remuneration was paid to key management personnel during the periods ended March 31, 2023 and 2022.

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8. SHARE CAPITAL

(a) Common Shares

The Company's authorized share capital consists of an unlimited number of common shares and with no par value.

The issued and outstanding common shares are as follows:

	Number of Shares	Stated Value
Balance, December 31, 2020 and 2021	5,656,000	223,100
Shares issued for cash at \$0.10 per unit	5,740,000	574,000
Balance, March 31, 2023 and December 31, 2022	11,396,000	797,100

There was no share issuances during the year ended December 31, 2021, but received investor deposits of \$10,000 from certain investors which amount was included as shares to be issued. These shares have been issued on April 8, 2022 (see below).

On April 8, 2022, the Company issued 240,000 units at \$0.10 per unit for gross proceeds of \$24,000. Each unit consists of one common share and one common share purchase warrant, each warrant entitling the holder to purchase one common share for \$0.20 for two years from the date of closing.

On April 22, 2022, the Company issued 1,850,000 units at \$0.10 per unit for gross proceeds of \$185,000. Each unit consists of one common share and one common share purchase warrant, each warrant entitling the holder to purchase one common share for \$0.20 for two years from the date of closing. These common shares are issued with certain restrictions on trading such that 1/3 of them would be freely tradable four months plus one day from the day of the Company's common shares starts trading on a qualified Canadian stock exchange; 1/3 of them would be freely tradable eight months from the day of the Company's common shares starts trading on a qualified Canadian stock exchange; and the remaining 1/3 would be freely tradable twelve months from the day of the Company's common shares starts trading on a qualified Canadian stock exchange.

On April 29, 2022, the Company issued 1,130,000 units at \$0.10 per unit for gross proceeds of \$113,000. Each unit consists of one common share and one common share purchase warrant, each warrant entitling the holder to purchase one common share for \$0.20 for two years from the date of closing. These common shares are issued with certain restrictions on trading such that 1/3 of them would be freely tradable four months plus one day from the day of the Company's common shares starts trading on a qualified Canadian stock exchange; 1/3 of them would be freely tradable eight months from the day of the Company's common shares starts trading on a qualified Canadian stock exchange; and the remaining 1/3 would be freely tradable twelve months from the day of the Company's common shares starts trading on a qualified Canadian stock exchange.

On May 27, 2022, the Company issued 2,520,000 units at \$0.10 per unit for gross proceeds of \$252,000. Each unit consists of one common share and one common share purchase warrant, each warrant entitling the holder to purchase one common share for \$0.20 for two years from the date of closing. These common shares are issued with certain restrictions on trading such that 1/3 of them would be freely tradable four months plus one day from the day of the Company's common shares starts trading on a qualified Canadian stock exchange; 1/3 of them would be freely tradable eight months from the day of the Company's common shares starts trading on a qualified Canadian stock exchange; and the remaining 1/3 would be freely tradable twelve months from the day of the Company's common shares starts trading on a qualified Canadian stock exchange.

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8. SHARE CAPITAL (continued)

One of the shareholders who had subscribed for 1,000,000 units from this tranche has joined the board in June 2022 and become a director of the Company.

The Company has allocated 100% proceeds to common shares and \$Nil to share purchase warrants by applying the residual approach.

(b) Warrants

The outstanding warrants at March 31, 2023 and December 31, 2022 are comprised as follows:

Date of Expiry	Type	No. of Warrants	Weighted Average Exercise Price \$
February 9, 2024	Warrants – Private Placement	1,056,000	0.20
April 8, 2024	Warrants – Private Placement	240,000	0.20
April 22, 2024	Warrants – Private Placement	1,850,000	0.20
April 29, 2024	Warrants – Private Placement	1,130,000	0.20
May 27, 2024	Warrants – Private Placement	2,520,000	0.20
Total		6,796,000	0.20

During the year ended December 31, 2022, the holders of all of the 3,000,000 warrants issued by the Company as a part of unit financings completed in fiscal year 2020 with the exercise price of \$0.05 per share signed acknowledgments and agreed to cancel these warrants without further compensations. The Company also extended the terms of 1,056,000 common share purchase warrants from December 31, 2022 to twelve (12) months after the date of the common shares of the Company is listed on a Canadian stock exchange. These warrants were issued pursuant to the private placement of 1,056,000 units at a price of \$0.10 per unit to arms-length parties for proceeds of \$105,600 on December 31, 2020.

The weighted average remaining life of the outstanding warrants at March 31, 2023 is 1.07 years and December 31, 2022 is 1.32 years using the expiry dates from the date of warrants issuance dates.

Continuity of the warrants to purchase common shares is as follows:

	March 31, 2023		December 31, 2022	
	Weighted Average Exercise Price (\$)	No. of Warrants	Weighted Average Exercise Price (\$)	No. of Warrants
Outstanding at beginning of period	0.20	6,796,000	0.12	5,656,000
Transactions during the period:				
Issued on private placements	-	-	0.20	5,740,000
Expired/cancellation of warrants	-	-	0.10	(4,600,000)
Outstanding and exercisable at end of period	0.20	6,796,000	0.20	6,796,000

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8. SHARE CAPITAL (continued)

(c) Options

The Company has adopted an incentive stock option plan and approved by the Company's Annual General Meeting dated August 2, 2022 (the "Option Plan") which provides that the Board of Directors of the Company may from time to time, in its discretion, and in accordance with the applicable stock exchange's requirements, grant to directors, officers, employees and consultants to the Company, non-transferable options to purchase common shares. Pursuant to the Option Plan, the number of common shares reserved for issuance will not exceed 10% of the issued and outstanding common shares of the Company. Options granted under the Option Plan can have a maximum exercise term of 10 years from the date of grant. Vesting terms will be determined at the time of grant by the Board of Directors. There was no option granted or outstanding as at and during the year ended December 31, 2022 and the three-month period ended March 31, 2023.

(d) Escrow Shares and Warrants

As at March 31, 2023, 9,815,500 common shares and 1,795,000 share purchase warrants of the Company were held in escrow.

9. COMMITMENTS AND CONTINGENCIES

The Company's activities are subject to environmental regulation (including regular environmental impact assessments and permitting) in each of the jurisdictions in which its mineral properties are located. Such regulations cover a wide variety of matters including, without limitation, prevention of waste, pollution and protection of the environment, labour relations and worker safety. The Company may also be subject under such regulations to clean-up costs and liability for toxic or hazardous substances which may exist on or under any of its properties or which may be produced as a result of its operations. It is likely that environmental legislation and permitting will evolve in a manner which will require stricter standards and enforcement. This may include increased fines and penalties for non-compliance, more stringent environmental assessments of proposed projects and a higher degree of responsibility for companies, their directors and employees.

The Company has not determined and is not aware whether any provision for such costs is required and is unable to determine the impact on its financial position, if any, of environmental laws and regulations that may be enacted in the future due to the uncertainty surrounding the form that these laws and regulations may take.

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10. SEGMENTED INFORMATION

Operating Segments

At March 31, 2023, the Company's operations comprise a single reporting operating segment engaged in mineral exploration in Canada.

An operating segment is defined as a component of the Company:

- that engages in business activities from which it may earn revenues and incur expenses;
- whose operating results are reviewed regularly by the entity's chief operating decision maker; and
- for which discrete financial information is available.

Geographic Information

The Company currently has one reportable segment for the period ended March 31, 2023 and 2022, being the exploration and evaluation of mineral properties in Canada.

11. CAPITAL MANAGEMENT

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, exploration and evaluation of mineral properties. The board of directors does 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 Company defines capital to include all components of shareholders' equity. In order to carry out the planned exploration and pay for administrative costs, the Company will spend its existing working capital and raise additional amounts as needed. 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 three-month period ended March 31, 2023 and 2022.

The Company considers its capital to be equity, which is comprised of share capital, reserve for warrants and share based payments and accumulated deficit.

The Company's objective when managing capital is to obtain adequate levels of funding to support its exploration activities, to obtain corporate and administrative functions necessary to support organizational functioning and to obtain sufficient funding to further the identification of mineral deposits.

The Company raises capital, as necessary, to meet its needs and take advantage of perceived opportunities and, therefore, does not have a numeric target for its capital structure. Funds are primarily secured through equity capital raised by way of private placements. There can be no assurance that the Company will be able to continue raising equity capital in this manner. The Company invests all capital that is surplus to its immediate operational needs in interest bearing accounts with a Canadian financial institution.