Kobrea Exploration Corp.

Condensed Interim Financial Statements

For the three and nine months ended October 31, 2023 and 2022

(Unaudited)

（Expressed in Canadian Dollars)

Notice of No Auditor Review of Interim Financial Statements

The accompanying unaudited financial statements have been prepared by management and approved by the Audit Committee.

The Company's independent auditors have not performed a review of these financial statements in accordance with the standards established by the Canadian Institute to Chartered Accountants for a review of interim financial statements by an entity's auditors.

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Condensed Interim Financial Statements

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

	October 31, 2023 $	January 31, 2023 $ (Audited)
ASSETS		
Current		
Cash and cash equivalents	480,930	367,507
	480,930	367,507
Mineral property (note 4)	1	1
Total assets	**480,931**	**367,508**
LIABILITIES		
Current		
Accounts payable and accrued liabilities	20,550	55,995
Total liabilities	20,550	55,995
SHAREHOLDERS' EQUITY		
Share capital (note 6)	495,000	495,000
Special warrants (note 6)	258,946	-
Deficit	(293,565)	(183,487)
Total shareholders' equity	460,381	311,513
Total liabilities and shareholders' equity	**480,931**	**367,508**

Nature of business and going concern (note 1)

Approved and authorized for issuance on behalf of the Board of Directors on December 27, 2023 by:

"James Hedalen"	*"Rory Ritchie"*
James Hedalen, Director	**Rory Ritchie, Director**

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

Kobrea Exploration Corp.

Condensed Interim Statements of Net and Comprehensive Loss
(Unaudited)
(Expressed in Canadian Dollars)

	Three months ended October 31, 2023 $	Three months ended October 31, 2022 $	Nine months ended October 31, 2023 $	Nine months ended October 31, 2022 $
Expenses				
Bank charges and interests	132	290	498	319
Exploration and evaluation costs (note 4)	1,543	85,076	7,365	98,301
Management fees (note 5)	7,500	12,500	22,545	12,500
Office expenses	286	-	800	-
Professional fees	28,170	-	41,520	-
Regulatory and filing fees	37,350	-	37,350	-
Net and comprehensive loss	**74,981**	**97,866**	**110,078**	**111,120**
Loss per common share – basic and diluted	**(0.00)**	**(0.02)**	**(0.00)**	**(0.02)**
Weighted average number of common shares outstanding – basic and diluted	**16,200,200**	**5,717,022**	**16,200,200**	**5,717,022**

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

Kobrea Exploration Corp.

Condensed Interim Statement of Changes in Shareholders' Equity
(Unaudited)
(Expressed in Canadian Dollars)

	Number of Shares	Number of Special Warrants	Share Capital $	Special Warrants $	Share Subscriptions Received $	Deficit $	Total Shareholders' Equity $
Balance, March 16, 2022 (date of incorporation)	-	-	-	-	-	-	-
Issuance of common shares	9,000,000	-	135,000	-	-	-	135,000
Share subscriptions received	-	-	-	-	214,956	-	214,956
Loss for the period	-	-	-	-	-	(111,120)	(111,120)
Balance, October 31, 2022	**9,000,000**	-	**135,000**	**-**	**214,956**	**(111,120)**	**238,836**
Issuance of common shares	7,200,200	-	360,000	-	(214,956)	-	145,044
Loss for the period	-	-	-	-	-	(72,367)	(72,367)
Balance, January 31, 2023	**16,200,200**	**-**	**495,000**	**-**	**-**	**(183,487)**	**311,513**
Issuance of special warrants	-	2,589,460	-	258,946	-	**-**	258,946
Loss for the period	-	-	-	-	-	(110,078)	(110,078)
Balance, October 31, 2023	**16,200,200**	**2,589,460**	**495,000**	**258,946**	-	**(293,565)**	**460,381**

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

Kobrea Exploration Corp.

Condensed Interim Statements of Cash Flows
(Unaudited)
(Expressed in Canadian Dollars)

	Nine Months Ended October 31, 2023 $	Nine Months Ended October 31, 2022 $
OPERATING ACTIVITIES		
Net loss	(110,078)	(111,120)
Changes in non-cash working capital:		
Accounts payable and accrued liabilities	(35,445)	-
	(145,523)	(111,120)
INVESTING ACTIVITIES		
Mineral property acquisition costs	-	(1)
	-	(1)
FINANCING ACTIVITIES		
Share subscriptions received	-	214,956
Proceeds from special warrants issuances	258,946	-
	258,946	214,956
Change in cash	113,423	103,835
Cash, beginning of period	367,507	-
Cash, end of period	480,930	103,835

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

1. NATURE OF BUSINESS AND GOING CONCERN

Kobrea Exploration Corp. (the “Company”) was incorporated on March 16, 2022 under the laws of the Province of British Columbia, Canada by a Certificate of Incorporation issued pursuant to the provisions of the Business Corporations Act (British Columbia). The principal business of the Company is the acquisition, exploration and evaluation of resource properties. The head office and registered and records office of the Company is located at Suite 330 – 890 West Pender Street, Vancouver, British Columbia V6C 1L9.

These condensed interim financial statements have been prepared on a going concern basis, which assumes the Company will 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 business. The Company incurred a loss of $110,078 during the nine months ended October 31, 2023 and has working capital as at October 31, 2023 of $460,380, and has accumulated deficit as at October 31, 2023 of $293,565. The Company does not earn revenue and is reliant on share issuances for its funding. There is no assurance that sufficient funding (including adequate financing) will be available to conduct its business. These factors present a material uncertainty over the Company’s ability to continue as a going concern. The application of the going concern concept is dependent upon the Company’s ability to generate future profitable operations and receive continued financial support from its creditors and shareholders. These financial statements do not give effect to any adjustments that might be required should the Company be unable to continue as a going concern.

2. BASIS OF PRESENTATION

Statement of compliance

These unaudited condensed interim financial statements have been prepared in accordance with International Accounting Standards (“IAS”) 34, Interim Financial Reporting of International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and interpretations of the International Financial Reporting Interpretations Committee (“IFRIC”). These unaudited condensed interim financial statements do not include all necessary disclosures required in an annual financial statements and, as such, should be read in conjunction with the Company’s annual financial statements for the period from incorporation on March 16, 2022 to January 31, 2023.

Basis of presentation

These unaudited condensed interim financial statements have been prepared on a historical cost basis, except for certain financial instruments classified as financial instruments at fair value through profit or loss, which are stated at fair value. The accounting policies have been applied consistently throughout the entire period presented in these unaudited condensed interim financial statements.

The presentation and functional currency of the Company is the Canadian dollar.

3. SIGNIFICANT ACCOUNTING POLICIES

Significant estimates and assumptions

The preparation of financial statements in accordance with IFRS requires the Company to make estimates and assumptions concerning the future. The Company’s management reviews these estimates and underlying assumptions on an ongoing basis, based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Revisions to estimates are adjusted for prospectively in the period in which the estimates are revised.

Estimates and assumptions where there is significant risk of material adjustments to assets and liabilities in future accounting periods include the fair value measurements for financial instruments and the recoverability and measurement of deferred tax assets.

Significant judgments

The preparation of financial statements in accordance with IFRS requires the Company to make judgments, apart from those involving estimates, in applying accounting policies. The most significant judgments applying to the Company’s financial statements include the assessment of the Company’s ability to continue as a going concern and whether there are events or conditions that may give rise to significant uncertainty.

Going Concern

Management has applied judgments in the assessment of the Company's ability to continue as a going concern when preparing its financial statements. Management prepares the financial statements on a going concern basis unless Management either intends to liquidate the entity or has no realistic alternative but to do so.

In assessing whether the going concern assumption is appropriate, Management takes into account all available information about the future, which is at least, but is not limited to, twelve months from the end of the reporting period. Management considered a wide range of factors relating to current and expected profitability, debt repayment schedules and potential sources of replacement financing. As a result of the assessment, Management concluded that, while material uncertainties exist, the going concern basis of accounting is appropriate based on its cash flow forecasts and access to replacement financing for the future twelve months.

Changes in Accounting Policies

The Company has not yet adopted certain standards, interpretations to existing standards and amendments which have been issued but have an effective date later than February 1, 2023. These updates are not currently relevant to the Company or are not expected to have a material impact on these unaudited condensed interim financial statements and are therefore not discussed herein.

(Expressed in Canadian Dollars)

4. MINERAL PROPERTY

Upland Copper Property, Barriere, British Columbia, Canada
The Company acquired from a non-arm's length party the Upland property, located in Barriere, British Columbia, Canada consisting of eight mineral claims, for a total consideration of $1 (Note 5). During the nine months ended October 31, 2023, the Company incurred $7,365 (For the period from incorporation on March 16, 2022 to January 31, 2023 - $100,976) of exploration and evaluation expenditures on this property that have been recognized as expenses in the statements of net and comprehensive loss.

5. RELATED PARTY TRANSACTIONS

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

	For the nine months ended October 31, 2023 $	**For the period from March 16, 2022 to January 31, 2023 $**
Management fees	22,545	62,000
	22,545	62,000

During the period from incorporation on March 16, 2022 to January 31, 2023, the Company acquired from a non-arm's length party the Upland property, located in Barriere, British Columbia, Canada consisting of eight mineral claims, for a total consideration of $1 (Note 4).

As at October 31, 2023, accounts payable and accrued liabilities include $nil (January 31, 2023 - $42,000) due to related parties.

6. SHARE CAPITAL

a. Authorized

Unlimited number of common shares without par value.

As at October 31, 2023, the Company had 16,200,200 (January 31, 2023 - 16,200,200) common shares issued and outstanding.

6. SHARE CAPITAL (continued)

b. Issued and outstanding

During the nine months ended October 31, 2023, the Company did not have any share activity.

During the period from incorporation on March 16, 2022 to January 31, 2023, the Company completed the following transactions:

i) On March 16, 2022, 200 common shares were issued to the incorporators of the Company for a nominal amount.

ii) On May 30, 2022, the Company issued 3,000,000 common shares at $0.005 per share for gross proceeds of $15,000.

iii) On June 10, 2022, the Company issued 750,000 flow-through shares at $0.02 per flow-through share for gross proceeds of $15,000. Full proceeds were allocated to share capital under residual value method.

iv) On August 15, 2022, the Company issued 2,500,000 non-flow-through shares at $0.02 per non-flow-through share for gross proceeds of $ $50,000. Concurrently, the Company issued 2,750,000 flow-through shares at $0.02 per flow-through share for gross proceeds of $55,000. Full proceeds were allocated to share capital under residual value method.

v) On January 17, 2023, the Company closed a non-brokered private placement of 2,400,000 units at $0.05 per unit for gross proceeds of $120,000. Each unit consists of one common share and one share purchase warrant. Each warrant entitles the holder to purchase one common share at a price of $0.10 per share until January 17, 2026. Full proceeds were allocated to share capital under residual value method.

vi) On January 31, 2023, the Company closed a non-brokered private placement of 4,800,000 units at $0.05 per unit for gross proceeds of $240,000. Each unit consists of one common share and one share purchase warrant. Each warrant entitles the holder to purchase one common share at a price of $0.10 per share until January 31, 2026. Full proceeds were allocated to share capital under residual value method.

c. Share purchase warrants

On January 17, 2023, the Company issued 2,400,000 warrants with units in a private placement. The warrants are exercisable at $0.10 for a period of 36 months. No value was allocated to these warrants under residual value method.

On January 31, 2023, the Company issued 4,800,000 warrants with units in a private placement. The warrants are exercisable at $0.10 for a period of 36 months. No value was allocated to these warrants under residual value method.

(Expressed in Canadian Dollars)

6. SHARE CAPITAL (continued)

c. Share purchase warrants (continued)

As at October 31, 2023 and January 31, 2023, the following share purchase warrants were outstanding:

Number of warrants	Exercise price	Expiry date
2,400,000	$0.10	January 17, 2026
4,800,000	$0.10	January 31, 2026
7,200,000	$0.10	

d. Special warrants

On July 13, 2023, the Company issued 2,589,497 special warrants at $0.10 per special warrant convertible into units for gross proceeds of $258,946. Each unit comprises of one common share and one share purchase warrant, with each share purchase warrant is exercisable into one common share at an price of $0.20 for three years. All special warrants are exercisable at any time from the date of issuance until the earlier of: (i) the third business day after the date on which the final prospectus is filed; and (ii) December 13, 2023.

7. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

As at October 31, 2023 and January 31, 2023, the Company's financial instruments consist of cash, accounts payable and accrued liabilities.

Fair value estimates of financial instruments are made at a specific point in time, based on relevant information about financial markets and specific financial instruments. As these estimates are subjective in nature, involving uncertainties and matters of significant judgment, they cannot be determined with precision. Changes in assumptions can significantly affect estimated fair values.

The fair value hierarchy has the following levels:

Level 1 - quoted prices (unadjusted) in active markets for identical assets and liabilities;

Level 2 - inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and

Level 3 - inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The carrying values of cash, accounts payable and accrued liabilities approximate their fair values due to the expected maturity of these financial instruments.

The Company's risk exposures and the impact on the Company's financial instruments are summarized below:

Credit risk
Credit risk is the risk of loss associated with the counterparty's inability to fulfill its payment obligations. The Company believes it has no significant credit risk.

7. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (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's objective in managing liquidity risk is to maintain sufficient readily available reserves in order to meet its liquidity requirements at any point in time. The Company achieves this by maintaining sufficient cash and seeking equity financing when needed.

Market risk
Market risk is the risk of loss that may arise from changes in market factors such as interest rates, foreign exchange rates, and commodity and equity prices.

(a) Interest rate risk
Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in the market interest rates. The Company's cash is held in an account with a major Canadian financial institution. The funds may be withdrawn at any time without penalty. The Company is not exposed to significant interest rate risk as the Company has no variable interest-bearing debt.

(b) Foreign currency risk
Currency risk is defined as the risk that the fair value or future cash flows of a financial instrument will fluctuate because of the changes in foreign exchange rates. The Company does not have assets or liabilities in a foreign currency and therefore is not exposed to foreign currency risk.

(c) Price risk
Price risk is the risk that the fair or future cash flows of a financial instrument will fluctuate because of changes in market prices, other than those arising from interest rate risk or foreign currency risk. The Company actively monitors commodity price changes and stock market prices to determine the appropriate course of action to be taken by the Company.

8. CAPITAL MANAGEMENT

The Company's objectives when managing capital are to maintain financial strength and to protect its ability to meet its future liabilities, to continue as a going concern, to maintain creditworthiness and to maximize returns for shareholders over the long term. Protecting the ability to pay current and future liabilities includes maintaining capital above minimum regulatory levels, current financial strength rating requirements and internally determined capital guidelines and calculated risk management levels. The Company currently is not subject to externally imposed capital requirements. There were no changes to the Company's approach to capital management during the nine months ended October 31, 2023.