

# **ARCLAND RESOURCES INC.**

## **Condensed Interim Financial Statements**

**(Expressed in Canadian Dollars)**

**Period Ended February 29, 2024**

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## **Management's Responsibility for Financial Reporting**

The accompanying unaudited condensed interim financial statements of Arland Resources Inc. were prepared by management in accordance with IAS 34 *Interim Financial Reporting* using accounting policies consistent with International Financial Reporting Standards appropriate in the circumstances. Management acknowledges responsibility for the preparation and presentation of the unaudited interim financial statements, including responsibility for significant accounting judgments and estimates and the choice of accounting principles and methods that are appropriate to the Company's circumstances.

Management has established processes, which are in place to provide them sufficient knowledge to support management representations that they have exercised reasonable diligence that (i) the unaudited condensed interim financial statements do not contain any untrue statement of material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it is made, as of the date of and for the periods presented by the unaudited condensed interim financial statements and (ii) the unaudited condensed interim financial statements fairly present in all material respects the financial condition, results of operations and cash flows of the Company, as of the date of and for the periods presented by the unaudited condensed interim financial statements.

The Board of Directors is responsible for reviewing and approving the unaudited condensed interim financial statements together with other financial information of the Company and for ensuring that management fulfills its financial reporting responsibilities. An Audit Committee assists the Board of Directors in fulfilling this responsibility. The Audit Committee meets with management to review the financial reporting process and the unaudited condensed interim financial statements together with other financial information of the Company. The Audit Committee reports its findings to the Board of Directors for its consideration in approving the unaudited condensed interim financial statements together with other financial information of the Company for issuance to the shareholders.

Management recognizes its responsibility for conducting the Company's affairs in compliance with established financial standards, and applicable laws and regulations, and for maintaining proper standards of conduct for its activities.

### **Notice to Reader**

Under National Instrument 51-102, Part 4, subsection 4.3(3)(a), if an auditor has not performed a review of the condensed interim financial statements; they must be accompanied by a notice indicating that the financial statements have not been reviewed by an auditor.

The accompanying unaudited condensed interim financial statements of the Company have been prepared by and are the responsibility of the Company's management.

The Company's independent auditor has not performed a review of these unaudited condensed interim financial statements.

**ARCLAND RESOURCES INC.**  
**Statements of Financial Position**  
**As at February 29, 2024 and November 30, 2023**

Expressed in Canadian Dollars	Note	February 29, 2024 (Unaudited)	November 30, 2023 (Audited)
<b>ASSETS</b>			
<b>Current assets</b>			
Cash	\$	71,094	\$ 93,872
GST receivable		3,569	3,223
Prepaid expenses		13,106	2,835
<b>Total Assets</b>	<b>\$</b>	<b>87,769</b>	<b>\$ 99,930</b>
<b>LIABILITIES AND EQUITY</b>			
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Trade and other payables	9	15,675	12,171
<b>Total Current liabilities</b>		<b>15,675</b>	<b>12,171</b>
<b>Total Liabilities</b>		<b>15,675</b>	<b>12,171</b>
<b>EQUITY</b>			
Share capital	6	6,749,526	6,749,526
Contributed surplus		90,093	90,093
Deficit		(6,767,525)	(6,751,860)
<b>Total equity</b>		<b>72,094</b>	<b>87,759</b>
<b>Total liabilities and equity</b>	<b>\$</b>	<b>87,769</b>	<b>\$ 99,930</b>

Nature of operations and continuance of operations (Note 1)

The accompanying notes are an integral part of these financial statements

Approved by the Directors:

"George Lian"  
George Lian

"Robert Ferguson"  
Robert Ferguson

**ARCLAND RESOURCES INC.**  
**Statements of Comprehensive Loss**  
**For the three months ended February 29, 2024 and February 28, 2023**  
**(Unaudited)**

<b>Expressed in Canadian Dollars</b>	<b>February 29, 2024</b>	<b>February 28, 2023</b>
<b>Expenses</b>		
Office and miscellaneous	\$ 900	\$ 5,846
Professional fees	5,698	39,515
Transfer and filing fees	1,400	2,382
Travelling	7,330	-
<b>Net operating expenses</b>	<b>(15,328)</b>	<b>(47,743)</b>
Finance cost	(337)	(18)
<b>Net finance costs</b>	<b>(337)</b>	<b>(18)</b>
<b>Net loss and comprehensive loss for the period</b>	<b>\$ (15,665)</b>	<b>\$ (47,761)</b>
<b>Loss per share for the year</b>		
- basic and diluted	\$ (0.00)	\$ (0.00)
<b>Weighted average number of common shares outstanding</b>		
- basic and diluted	13,232,337	13,232,337

The accompanying notes are an integral part of these financial statements

**ARCLAND RESOURCES INC.**  
**Statement of Changes in Shareholders' Equity (Deficiency)**  
**For the three months ended February 29, 2024 and year ended November 30, 2023**  
**(Unaudited)**

Expressed in Canadian Dollars	Number of shares	Share capital	Contributed surplus	Deficit	Total equity (deficiency)
<b>Balance, November 30, 2022</b>	13,232,337	\$ 6,749,526	\$ 90,093	\$ (6,623,449)	\$ 216,170
Net loss for the three months ended February 28, 2023	-	-	-	(47,761)	(47,761)
<b>Balance, February 28, 2023</b>	13,232,337	6,749,526	90,093	(6,671,210)	168,409
Net loss for the nine months ended November 30, 2023	-	-	-	(80,650)	(80,650)
<b>Balance, November 30, 2023</b>	13,232,337	6,749,526	90,093	(6,751,860)	87,759
Net loss for the three months ended February 29, 2024	-	-	-	(15,665)	(15,665)
<b>Balance, February 29, 2024</b>	13,232,337	\$ 6,749,526	\$ 90,093	\$ (6,767,525)	\$ 72,094

The accompanying notes are an integral part of these financial statements

**ARCLAND RESOURCES INC.**  
**Statements of Cash Flows**  
**For the three months ended February 29, 2024 and February 28, 2023**  
**(Unaudited)**

<b>Expressed in Canadian Dollars</b>	<b>February 29, 2024</b>	<b>February 28, 2023</b>
<b>Cash flows used in operating activities</b>		
Net loss for the period	\$ (15,665)	\$ (47,761)
Changes in non-cash working capital items:		
GST receivable	(346)	(1,514)
Prepaid expenses	(10,271)	(675)
Trade and other payables	3,504	21,640
<b>Net cash used in operating activities</b>	<b>(22,778)</b>	<b>(28,310)</b>
<b>Increase (decrease) in cash</b>	<b>(22,778)</b>	<b>(28,310)</b>
<b>Cash, beginning of the period</b>	<b>93,872</b>	<b>236,219</b>
<b>Cash, end of the period</b>	<b>\$ 71,094</b>	<b>\$ 207,909</b>

The accompanying notes are an integral part of these financial statements

**Arcland Resources Inc.**  
**Notes to the Condensed Interim Financial Statements**  
**(Expressed in Canadian Dollars)**  
**February 29, 2024**  
**(Unaudited)**

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**1. Nature of Operations and Continuance of Operations**

Arcland Resources Inc. (“the Company”) is a company domiciled in Canada. The address of the Company’s registered office is Suite 700, 595 Burrard Street, Vancouver, British Columbia, V7X 1S8. The Company is currently inactive and is looking for a suitable acquisition to begin operations. The Company's principal business is acquisition, exploration and development of mining properties and is currently evaluating acquisition targets. To date, the Company has not generated revenues from operations.

These financial statements have been prepared by management on the basis of International Financial Reporting Standards applicable to a going concern, which assumes that the Company will continue in operation for the foreseeable future and will be able to realize its assets and discharge its obligations in the normal course of operations. The Company has in place a planning, budgeting and forecasting process to help determine the funds required to support the Company’s normal operations on an ongoing basis. The Company expects to have sufficient liquidity and capital resources to meet its ongoing obligations and future contractual commitments for at least twelve months from February 29, 2024. Liquidity beyond the twelve-month period is dependent on the ability to receive continued financial support from related parties, to obtain public equity financing, or to generate profitable operations in the future.

As at February 29, 2024, the Company had no source of operating revenues, had accumulated a deficit of \$6,767,525 (November 30, 2023 - \$6,751,860) since inception and a working capital of \$72,094 (November 30, 2022 - working capital of \$87,759). There is no assurance that the Company will be able to obtain adequate financing in the future or that such financing will be on terms advantageous to the Company. Additional equity and/or debt financing is subject to the global financial markets and prevailing economic conditions, which have recently been volatile and distressed. These factors will likely make it more challenging to obtain financing for the Company going forward. These conditions indicate the existence of a material uncertainty that raises significant doubt as to the Company’s ability to continue as a going concern.

**2. Basis of Preparation**

**(a) Statement of compliance**

These financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”) issued by the International Accounting Standards Board (“IASB”) and Interpretations of the International Financial Reporting Interpretations Committee (“IFRIC”).

The policies applied in these financial statements are based on IFRS issued as of February 29, 2024. These financial statements were authorized to issue by the audit committee and Board of Directors of the Company on April 16, 2024.

**(b) Basis of measurement**

These financial statements have been prepared using the accrual basis of accounting, except for cash flow information. Furthermore, these financial statements are presented in Canadian dollars which is the functional currency of the Company and all values are rounded to the nearest dollar.

**Arcland Resources Inc.**  
**Notes to the Condensed Interim Financial Statements**  
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**(Unaudited)**

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**2. Basis of Preparation - Continued**

**(c) Use of estimates and judgments**

The preparation of the financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. On an ongoing basis, management evaluates its judgments and estimates in relation to assets, liabilities, revenues 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 results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

In particular, information about significant areas of estimation uncertainty considered by management in preparing the financial statements is described below:

*Going concern assumption*

Management has applied judgments in the assessment of the Company's ability to continue as a going concern when preparing its financial statements for the period ended February 29, 2024. Management prepares the financial statements on a going concern basis unless management either intends to liquidate the entity or to cease trading, 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.

*Russia's War in Ukraine*

On February 24, 2022, Russian troops started to invade Ukraine. In response to this military action, various countries, including Canada, issued broad-ranging economic sanctions against Russia. The ramifications of the sanctions may not be limited to Russia and Ukraine and may spill over to and negatively impact other regional and global economic markets, sectors, industries and markets for securities and commodities globally. The current circumstances are dynamic and the duration of the war and related impact of imposed sanctions on the business cannot be reasonably estimated at this time. While the company expects any direct impacts of the war in Ukraine to the business to be limited, the direct impacts on the economy may negatively affect the business and future operations.

**Arcland Resources Inc.**  
**Notes to the Condensed Interim Financial Statements**  
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**February 29, 2024**  
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**3. Significant Accounting Policies**

The preparation of financial data is based on accounting principles and practices consistent with those used in the preparation of the audited annual financial statements as at November 30, 2023. The accompanying unaudited condensed interim financial statements should be read in conjunction with the Company's audited financial statements for the year ended November 30, 2023.

**4. New Standards and Interpretations Adopted During the Period**

On December 1, 2023, the Company adopted an amendment by IASB to IAS 1, which affects only the presentation of liabilities in the statement of financial position and not the amount or timing of their recognition. The amendments clarify that the classification of liabilities as current or non-current should be based on rights that are in existence at the end of the reporting period and align the wording in all affected paragraphs to refer to the right to defer settlement by at least 12 months. That classification is unaffected by the likelihood that an entity will exercise its deferral right. Adoption of the standard does not have any material impact on the financial statements.

*IAS 8 – Accounting Policies, Changes in Accounting Estimates and Errors (“IAS 8”)*

On December 1, 2023, the Company adopted the amendments to IAS 8 under the Definition of Accounting Estimates issued by IASB. The amendment replaces the definition of accounting estimates. Under the new definition, accounting estimates are “monetary amounts in financial statements that are subject to measurement uncertainty.” The amendment provides clarification to help entities to distinguish between accounting policies and accounting estimates. Adoption of the standard does not have any material impact on the financial statements.

*IAS 12 – Income Taxes (“IAS 12”)*

On December 1, 2023, the Company adopted the amendments to IAS 12 issued by IASB under Deferred Tax related to Assets and Liabilities arising from a Single Transaction. The amendment narrows the scope of the initial recognition exemption so that it does not apply to transactions that give rise to equal and offset temporary differences. As a result, companies will need to recognize a deferred tax asset and deferred tax liability for temporary differences arising on initial recognition of transactions such as leases and decommissioning obligations. Adoption of the standard does not have any material impact on the financial statements.

**5. New Standards and Interpretations Not Yet Adopted During the Period**

The Company continuously monitors the potential changes proposed by the International Accounting Standards Board (“IASB”) and analyze the effect that changes in the standards may have on the financial statements when they become effective. There have been no significant changes to future accounting policies that could impact the Company from what was disclosed in the November 30, 2023 financial statements.

**Arcland Resources Inc.**  
**Notes to the Condensed Interim Financial Statements**  
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**6. Share Capital**

**(a) Authorized share capital**

The authorized share capital consists of an unlimited number of common shares without par value and an unlimited number of preferred shares without par value.

**(b) Issued and outstanding**

During the period ended February 29, 2023 and year ended November 30, 2023, there were no shares issued.

As of February 29, 2024 and November 30, 2023, the total number of issued and outstanding shares is 13,232,337.

**7. Stock Options and Share Purchases Warrants**

**(a) Stock options**

The Company has a stock option plan (the “Plan”) that reserves up to 10% of the issued and outstanding common shares to be issued upon exercise of options to be granted pursuant to the Plan.

During the period ended February 29, 2024 and year ended November 30, 2023, no new stock options were granted or cancelled.

There are no stock options outstanding as of February 29, 2024 and November 30, 2023.

**(b) Share purchase warrants**

During the period ended February 29, 2024 and year ended November 30, 2023, there were no warrants issued or cancelled.

There are no warrants outstanding as of February 29, 2024 and November 30, 2023.

**8. Financial Instruments and Risk**

**(a) Fair value of financial instruments**

The Company’s financial instruments include: cash, and trade and other payables. The carrying value of these financial instruments approximates their fair value due to their short-term nature.

**Arcland Resources Inc.**  
**Notes to the Condensed Interim Financial Statements**  
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**February 29, 2024**  
**(Unaudited)**

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**8. Financial Instruments and Risk - Continued**

**(a) Fair value of financial instruments - Continued**

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

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

The Company does not have any financial instruments measured at fair value.

**(b) Risk exposure and capital management**

The Company is exposed to various risks associated with its financial instruments. These risks include: credit risk, liquidity risk and market risk. The Board of Directors has the overall responsibility for the establishment and oversight of the Company's risk management framework. The Company's risk management activities include the preservation of its capital by minimizing risk related to its cash. The Company does not have a risk management committee or written risk management policies.

*Credit risk*

Credit risk is the risk of an unexpected loss if a party to a financial instrument fails to meet its contractual obligations. The Company's credit risk is primarily attributable to cash. The Company limits its exposure to credit risk on liquid financial assets through holding and investing its cash with high credit quality financial institutions. The Company mitigates credit risk on these financial instruments by adhering to its investment policy that outlines credit risk parameters and concentration limits.

*Liquidity risk*

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they come due. The Company ensures that there is sufficient working capital to fund its ongoing operating expenditures, after taking into account cash flows from operations and the Company's holdings of cash and short-term investment. As at February 29, 2024, the Company had a working capital of \$72,094 (November 30, 2023: \$87,759).

**Arcland Resources Inc.**  
**Notes to the Condensed Interim Financial Statements**  
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**8. Financial Instruments and Risk - Continued**

**(b) Risk exposure and capital management - Continued**

*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 equity prices.

*(i) 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. The Company is exposed to short-term interest rates through the interest earned on cash balances. The Company has no interest-bearing debt. The Company's current policy is to invest excess cash in short-term deposits with its banking institutions.

*(ii) Foreign currency exchange rate risk*

Foreign currency exchange rate risk is the risk that the fair value of financial instruments or future cash flows will fluctuate as a result of changes in foreign exchange rates.

The Company's functional currency is the Canadian dollar and all major transactions are transacted in Canadian dollars. Management believes the foreign exchange risk derived from currency conversions is minimal.

*Capital management*

The Company's objective when managing capital is to safeguard the entity's ability to continue as a going concern. The capital structure of the Company consists of equity, comprising share capital, net of accumulated deficit.

The Company manages its capital structure and makes adjustments to it, based on the funds available to the Company, in order to meet its daily operating expenses. 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.

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 period ended February 29, 2024 and year ended November 30, 2023. The Company is not subject to externally imposed capital requirements.

**Arcland Resources Inc.**  
**Notes to the Condensed Interim Financial Statements**  
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**February 29, 2024**  
**(Unaudited)**

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**9. Related Party Transactions**

All transactions with related parties have occurred in the normal course of operations, occurring on terms and conditions that are similar to those of transactions with unrelated parties and, therefore, are measured at the exchange amount.

The key management personnel of the Company are the directors and officers of the Company. There was no amount paid to the related parties for services during the period ended February 29, 2024 and year ended November 30, 2023.

There are amounts of \$1,082 (November 30, 2023 - \$1,082) and \$nil (November 30, 2023 - \$nil) owing to an ex-director and a director, respectively, for expenses paid on behalf of the Company included in trade and other payables as at February 29, 2024.