

LIGHTSPEED DISCOVERIES INC.

CONDENSED INTERIM FINANCIAL STATEMENTS

(Expressed in Canadian Dollars)

(Unaudited)

Six Month Period Ended

June 30, 2024

**NOTICE OF NO AUDITOR REVIEW OF
CONDENSED INTERIM FINANCIAL STATEMENTS**

The Company's independent auditor has not performed a review of these condensed interim financial statements. The accompanying condensed interim financial statements of the Company have been prepared by and are the responsibility of the Company's management.

LIGHTSPEED DISCOVERIES INC.Statements of Financial Position
(Expressed in Canadian dollars)

	June 30, 2024 \$	December 31, 2023 \$
Assets		
Current assets		
Cash	690	726
Amounts receivable	12,556	12,231
Total assets	13,246	12,957
Liabilities and Shareholders' Deficit		
Current liabilities		
Accounts payable and accrued liabilities (Notes 4 and 5)	602,352	568,977
Loans payable (Note 3)	129,000	129,000
Total liabilities	731,352	697,977
Shareholders' deficit		
Share capital	20,677,707	20,677,707
Share subscriptions received (Note 6)	16,000	16,000
Share-based payment reserve	404,830	404,830
Deficit	(21,816,643)	(21,783,557)
Total shareholders' deficit	(718,106)	(685,020)
Total liabilities and shareholders' deficit	13,246	12,957

Nature of operations and continuance of business (Note 1)

Approved and authorized for issuance on behalf of the Board of Directors on August 29, 2024.

/s/ Nick Watters

Nick Watters, Director

/s/ Kenneth Ralfs

Kenneth Ralfs, Director

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

LIGHTSPEED DISCOVERIES INC.

Statements of Operations and Comprehensive Loss

(Expressed in Canadian dollars)

	Three Months Period Ended June 30, 2024	Three Months Period Ended June 30, 2023	Six Months Period Ended June 30, 2024	Six Months Period Ended June 30, 2023
LOSS BEFORE INCOME TAXES				
Consulting (Note 12)	-	30,000	-	60,000
Management fees (Note 12)	7,500	7,500	15,000	15,000
Office and miscellaneous	918	1,518	1,837	3,037
Professional fees (Note 12)	6,250	8,681	8,500	10,931
Rent	-	6,000	-	12,000
Transfer agent, filing fees	1,250	1,400	2,499	3,899
Total expenses	15,918	55,099	27,836	104,867
LOSS BEFORE OTHER EXPENSES	(15,918)	(55,099)	(27,836)	(104,867)
Other expenses				
Interest expense	(2,625)	-	(5,250)	-
INCOME (LOSS) AND COMPREHENSIVE INCOME (LOSS) FOR THE PERIOD	\$ (18,543)	\$ (55,099)	\$ (33,086)	\$ (104,867)
INCOME (LOSS) PER SHARE - BASIC AND FULLY DILUTED	\$ (0.01)	\$ (0.01)	\$ (0.01)	\$ (0.01)
Weighted average number of shares outstanding	10,495,516	10,495,516	10,495,516	10,495,516

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

LIGHTSPEED DISCOVERIES INC.

Statements of Changes in Shareholders' Deficit
(Expressed in Canadian dollars)

	Share capital		Share subscriptions received \$	Share-based payment reserve \$	Deficit \$	Total shareholders' deficit \$
	Number of shares	Amount \$				
Balance, December 31, 2022	10,495,516	20,677,707	16,000	404,830	(21,599,404)	(500,867)
Net loss for the year	—	—	—	—	(184,153)	(184,153)
Balance, December 31, 2023	10,495,516	20,677,707	16,000	404,830	(21,783,557)	(685,020)
Net loss for the period	—	—	—	—	(33,086)	(33,086)
Balance, June 30, 2024	10,495,516	20,677,707	16,000	404,830	(21,816,643)	(718,106)

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

LIGHTSPEED DISCOVERIES INC.

Statements of Cash Flows

(Expressed in Canadian dollars)

	Six Month Period Ended June 30, 2024 \$	Six Month Period Ended June 30, 2023 \$
Operating activities		
Net loss for the year	(33,086)	(104,867)
Changes in non-cash operating working capital:		
Amounts receivable	(326)	(964)
Accounts payable and accrued liabilities	33,375	105,794
Net cash used in operating activities	(37)	(36)
Financing activities		
Proceeds from loan payable	-	-
Net cash provided by financing activities	-	-
Increase (decrease) in cash	(37)	(36)
Cash, beginning of year	726	799
Cash, end of year	689	762

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

LIGHTSPEED DISCOVERIES INC.

Notes to the Financial Statements

SIX MONTH PERIOD ENDED JUNE 30, 2024

(Expressed in Canadian Dollars)

1. Nature of Operations and Continuance of Business

Lightspeed Discoveries Inc. (the "Company") was incorporated under the laws of the province of British Columbia. The Company is in the exploration stage and is in the business of exploring and developing mineral properties. The Company's registered address is 10th Floor, 595 Howe Street, Vancouver, BC, V6C 2T5.

These financial statements have been prepared on the 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. During the period ended June 30, 2024, the Company has not generated any revenues from operations, and incurred negative cash flow from operating activities. As at June 30, 2024, the Company has a working capital deficit of \$718,106 and an accumulated deficit of \$21,816,643. The Company's ability to continue as a going concern is dependent upon its ability to generate and maintain future profitable operations and/or to obtain the necessary financing to meet its obligations and repay its liabilities arising from normal business operations when they come due. Management is of the opinion that sufficient working capital will be obtained from external financing to meet the Company's liabilities and commitments as they become due, although there is a risk that additional financing will not be available on a timely basis or on terms acceptable to the Company. These factors indicate the existence of a material uncertainty that may cast significant doubt on the Company's ability to continue as a going concern. These financial statements do not reflect any adjustments that may be necessary if the Company is unable to continue as a going concern. Such adjustments could be material.

2. Material Accounting Policies

(a) Basis of Presentation

These condensed interim financial statements, including comparative have been prepared in accordance with IAS 34, Interim Financial Reporting, as issued by the International Accounting Standards Board ("IASB") and the interpretations of the IFRS Interpretations committee. They do not include all disclosures required by International Financial Reporting Standards ("IFRS") for annual financial statements, and therefore should be read in conjunction with the Company's audited financial statements for the year ended December 31, 2023, prepared in accordance with IFRS as issued by the IASB.

These financial statements were approved by the Board of Directors of the Company on August 29, 2024

These financial statements have been prepared on a historical cost basis and are presented in Canadian dollars, which is the Company's functional currency.

LIGHTSPEED DISCOVERIES INC.

Notes to the Financial Statements

SIX MONTH PERIOD ENDED JUNE 30, 2024

(Expressed in Canadian Dollars)

2. Material Accounting Policies (continued)

(b) Use of Estimates and Judgments

The preparation of these financial statements 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 reported amounts of expenses during the period. These estimates are, by their nature, uncertain. The impacts of such estimates are pervasive throughout the financial statements, and may require accounting adjustments based on future occurrences. Revisions to accounting estimates are recognized in the period in which the estimate is revised and future periods if the revision affects both current and future periods. These estimates are based on historical experience, current and future economic conditions and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Significant areas requiring the use of estimates include unrecognized deferred income tax assets.

The assessment of whether the going concern assumption is appropriate requires management to take into account all available information about the future, which is at least, but is not limited to, 12 months from the end of the reporting period. The Company is aware that material uncertainties related to events or conditions may cast significant doubt upon the Company's ability to continue as a going concern.

(c) Cash and Cash Equivalents

The Company considers all highly liquid instruments with a maturity of three months or less at the time of issuance, are readily convertible to known amounts of cash, and which are subject to insignificant risk of changes in value to be cash equivalents.

(d) Exploration and Evaluation Expenditures

Exploration and evaluation expenditures include the costs of acquiring licenses, costs associated with exploration and evaluation activity, and the fair value (at acquisition date) of exploration and evaluation assets acquired in a business combination. Exploration and evaluation expenditures are capitalized. Costs incurred before the Company has obtained the legal rights to explore an area are charged to operations.

Exploration and evaluation assets are assessed for impairment if: (i) sufficient data exists to determine technical feasibility and commercial viability; and (ii) facts and circumstances suggest that the carrying amount exceeds the recoverable amount.

Once the technical feasibility and commercial viability of the extraction of mineral resources in an area of interest are demonstrable, exploration and evaluation assets attributable to that area of interest are first tested for impairment and then reclassified to mining property and development assets within property, plant and equipment.

Recoverability of the carrying amount of any exploration and evaluation assets is dependent on successful development and commercial exploitation, or alternatively, sale of the respective areas of interest.

Mineral Property Options

The Company does not record any expenditures made by the optionee in its accounts. It also does not recognize any gain or loss on its exploration and evaluation option arrangements but re-designates any costs previously capitalized in relation to the whole interest as relating to the partial interest retained and any consideration received directly from the optionee is credited against costs previously capitalized.

LIGHTSPEED DISCOVERIES INC.

Notes to the Financial Statements

SIX MONTH PERIOD ENDED JUNE 30, 2024

(Expressed in Canadian Dollars)

2. Material Accounting Policies (continued)

(e) Financial Instruments

Financial assets and financial liabilities are recognized when the Company becomes a party to the contractual provisions of the respective instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are included in the initial carrying value of the related instrument and are amortized using the effective interest method. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognized immediately in the statement of operations.

Fair value estimates are made at the statement of financial position date based on relevant market information and information about the financial instrument. All financial instruments are classified into either: fair value through profit or loss ("FVTPL") or amortized cost.

The Company has made the following classifications:

Cash	Amortized cost
Accounts payable and accrued liabilities	Amortized cost
Loans payable	Amortized cost

Financial Assets

The classification of financial assets depends on the nature and purpose of the financial assets and is determined at the time of initial recognition.

Financial assets at FVTPL

Financial assets are classified as FVTPL when the financial asset is either held for trading or it is designated as FVTPL. A financial asset is classified as held for trading if:

- it has been acquired principally for the purpose of selling it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Company manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

Financial assets at amortized cost

Financial assets at amortized cost are non-derivative financial assets which are held within a business model whose objective is to hold assets to collect contractual cash flows and its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. A financial asset (unless it is a trade receivable without a significant financing component that is initially measured at the transaction price) is initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition. Subsequent to initial recognition, financial assets are measured at amortized cost using the effective interest method, less any impairment.

LIGHTSPEED DISCOVERIES INC.

Notes to the Financial Statements

SIX MONTH PERIOD ENDED JUNE 30, 2024

(Expressed in Canadian Dollars)

2. Material Accounting Policies (continued)

(e) Financial Instruments (continued)

Impairment of financial assets

Financial assets, other than those classified as FVTPL, are assessed for indicators of impairment at the end of each reporting period. Financial assets are considered to be impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been decreased.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables, where the carrying amount is reduced through the use of an allowance account.

When a trade receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are offset against the allowance account. Changes in the carrying amount of the allowance account are recognized in the statement of operations. Loss allowances are based on the lifetime ECL's that result from all possible default events over the expected life of the trade receivable, using the simplified approach.

For financial assets measured at amortized cost, if, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed through the statement of operations to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortized cost would have been had the impairment not been recognized.

Financial Liabilities and Equity Instruments

Classification as debt or equity

Debt and equity instruments issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognized as the proceeds received, net of direct issue costs.

Other financial liabilities

Other financial liabilities (including loans and borrowings and trade payables and other liabilities) are initially measured at fair value, net of transaction costs. Subsequently, other financial liabilities are measured at amortized cost using the effective interest method.

The effective interest method is a method of calculating the amortized cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

LIGHTSPEED DISCOVERIES INC.

Notes to the Financial Statements

SIX MONTH PERIOD ENDED JUNE 30, 2024

(Expressed in Canadian Dollars)

2. Material Accounting Policies (continued)

(e) Income Taxes

Current income tax

Current income tax assets and liabilities for the current period are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date. Current income tax relating to items recognized directly in other comprehensive income or equity is recognized in other comprehensive income or equity and not in the statement of operations. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred income tax

Deferred income tax is provided using the statement of financial position method on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. The carrying amount of deferred income tax assets is reviewed at the end of each reporting period and recognized only to the extent that it is probable that sufficient taxable income will be available to allow all or part of the deferred income tax asset to be utilized. Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. Deferred income tax assets and deferred income tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred income taxes relate to the same taxable entity and the same taxation authority.

(f) Foreign Currency Translation

The functional and reporting currency is the Canadian dollar. Transactions denominated in foreign currencies are translated using the exchange rate in effect on the transaction date or at an average rate. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange in effect at the statement of financial position date. Non-monetary items are translated using the historical rate on the date of the transaction. Foreign exchange gains and losses are included in the statement of operations.

(g) Share-based Payments

The grant date fair value of share-based payment awards granted to employees is recognized as stock-based compensation expense, with a corresponding increase in equity, over the period that the employees unconditionally become entitled to the awards. The amount recognized as an expense is adjusted to reflect the number of awards for which the related service and non-market vesting conditions are expected to be met, such that the amount ultimately recognized as an expense is based on the number of awards that do meet the related service and non-market performance conditions at the vesting date. For share-based payment awards with non-vesting conditions, the grant date fair value of the share-based payment is measured to reflect such conditions and there is no true-up for differences between expected and actual outcomes.

Where equity instruments are granted to parties other than employees, they are recorded by reference to the fair value of the services received. If the fair value of the services received cannot be reliably estimated, the Company measures the services received by reference to the fair value of the equity instruments granted, measured at the date the counterparty renders service.

LIGHTSPEED DISCOVERIES INC.

Notes to the Financial Statements

SIX MONTH PERIOD ENDED JUNE 30, 2024

(Expressed in Canadian Dollars)

2. Material Accounting Policies (continued)

(g) Share-based Payments (continued)

All equity-settled share-based payments are reflected in share-based payment reserve, unless exercised. Upon exercise, shares are issued from treasury and the amount reflected in share-based payment reserve is credited to share capital, adjusted for any consideration paid.

(h) Loss Per Share

Basic loss per share is computed using the weighted average number of common shares outstanding during the period. The treasury stock method is used for the calculation of diluted loss per share, whereby all "in the money" stock options and share purchase warrants are assumed to have been exercised at the beginning of the period and the proceeds from their exercise are assumed to have been used to purchase common shares at the average market price during the period. When a loss is incurred during the period, basic and diluted loss per share are the same as the exercise of stock options and share purchase warrants is considered to be anti-dilutive.

(i) Comprehensive Loss

Comprehensive loss is the change in the Company's net assets that results from transactions, events and circumstances from sources other than the Company's shareholders and includes items that are not included in the statement of operations.

(j) Accounting Standards Issued But Not Yet Effective

A number of new standards, and amendments to standards and interpretations, are not yet effective for the year ended December 31, 2023, and have not been early adopted in preparing these financial statements. These new standards, and amendments to standards and interpretations are either not applicable or are not expected to have a significant impact on the Company's financial statements.

3. Loans Payable

- (a) As at June 30, 2024, the amount of \$105,000 (2023 - \$105,000) is owed to an unrelated party which bears interest 10% per annum, is unsecured, and due on demand.
- (b) As at June 30, 2024, the amount of \$4,000 (2023 - \$4,000) is owed to an unrelated party which is non-interest bearing, unsecured, and due on demand.
- (c) As at June 310 2024, the amount of \$20,000 (2023 - \$20,000) is owed to an unrelated party which is non-interest bearing, unsecured, and due on demand.

4. Accounts Payable and Accrued Liabilities

	Period Ended June 30, 2024 \$	Year Ended December 31, 2023 \$
Trade payables	438,102	429,477
Related party payables (Note 5)	135,000	120,000
Accrued professional fees	13,500	9,000
Accrued interest payable	15,750	10,500
	602,352	568,977

LIGHTSPEED DISCOVERIES INC.

Notes to the Financial Statements

SIX MONTH PERIOD ENDED JUNE 30, 2024

(Expressed in Canadian Dollars)

5. Related Party Transactions

- (a) As at June 30, 2024, the amount of \$135,000 (2023 - \$120,000) was owed to the CEO of the Company, which is non-interest bearing, unsecured, and due on demand. The amount is included in accounts payable and accrued liabilities.
- (b) During the quarter ended June 30, 2024, the Company incurred management fees of \$15,000 (2023 - \$15,000) to the CEO of the Company.

6. Share Capital

Authorized: Unlimited common shares without par value.

As at June 30, 2024, the Company has received share subscriptions of \$16,000 (2023 - \$16,000) pursuant to the exercise of 200,000 share purchase warrants by a former director of the Company.

7. Stock Options

The Company has implemented a stock option plan pursuant to which stock options may be granted to directors, officers, employees and consultants of the Company. The Company may grant stock options to a maximum of 10% of the issued shares of the Company at the date of granting the stock options. The minimum exercise price of each stock option must not be less than the discounted market price (as permissible by TSX Venture Exchange Policy). Stock options are exercisable over periods up to ten years and vesting periods can be imposed at the discretion by the Board of Directors.

8. Financial Instruments and Risk Management

(a) Fair Values

Fair value measurements are classified using a fair value hierarchy that reflects the significance of inputs used in making the measurements. The fair value hierarchy has the following levels:

- Level 1 - valuation based on quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 - valuation techniques based on 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 - valuation techniques using inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The fair values of financial instruments, which include cash, accounts payable and accrued liabilities, and loans payable, approximate their carrying values due to the relatively short-term maturity of these instruments.

(b) Credit Risk

Financial instruments that potentially subject the Company to a concentration of credit risk consist primarily of cash. The Company limits its exposure to credit loss by placing its cash with high credit quality financial institutions. The carrying amount of financial assets represents the maximum credit exposure.

LIGHTSPEED DISCOVERIES INC.

Notes to the Financial Statements

SIX MONTH PERIOD ENDED JUNE 30, 2024

(Expressed in Canadian Dollars)

8. Financial Instruments and Risk Management (continued)

(c) Foreign Exchange Rate Risk

Foreign exchange risk is the risk that the Company's financial instruments will fluctuate in value as a result of movements in foreign exchange rates. The Company is not exposed to any significant foreign exchange rate risk.

(d) 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 market interest rates. The Company is not exposed to interest rate risk as it does not have any assets or liabilities that are affected by changes in interest rates.

(e) 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 currently settles its financial obligations out of cash. The ability to do this relies on the Company raising equity financing in a timely manner and by maintaining sufficient cash in excess of anticipated needs.

9. Capital Management

The Company manages its capital to maintain its ability to continue as a going concern and to provide returns to shareholders and benefits to other stakeholders. The capital structure of the Company consists of cash and equity comprised of issued share capital and share-based payment reserve.

The Company manages its capital structure and makes adjustments to it in light of economic conditions. The Company, upon approval from its Board of Directors, will balance its overall capital structure through new share issuances or by undertaking other activities as deemed appropriate under the specific circumstances.

The Company is not subject to externally imposed capital requirements. There have been no changes to the Company's approach to capital management during the quarter ended June 30, 2024.

LIGHTSPEED DISCOVERIES INC.

Notes to the Financial Statements

SIX MONTH PERIOD ENDED JUNE 30, 2024

(Expressed in Canadian Dollars)

10. Income Taxes

The tax effect (computed by applying the Canadian federal and provincial statutory rate) of the significant temporary differences, which comprise deferred income tax assets and liabilities, are as follows:

	Period Ended June 30, 2024 \$	Year Ended December 31, 2023 \$
Canadian statutory income tax rate	27%	27%
Income tax recovery at statutory rate	(8,933)	(49,721)
Tax effect of:		
Change in unrecognized deferred income tax assets	8,933	49,721
Income tax provision	—	—

The significant components of deferred income tax assets and liabilities are as follows:

	Period Ended June 30, 2024 \$	Year Ended December 31, 2023 \$
Deferred income tax assets		
Capital losses carried forward	36,113	36,113
Non-capital losses carried forward	962,183	929,097
Resource properties	1,969,343	1,969,343
Share issuance costs	—	—
Total gross deferred income tax assets	2,967,639	2,934,553
Unrecognized deferred income tax assets	(2,967,639)	(2,934,553)
Net deferred income tax asset	—	—

LIGHTSPEED DISCOVERIES INC.

Notes to the Financial Statements

SIX MONTH PERIOD ENDED JUNE 30, 2024

(Expressed in Canadian Dollars)

10. Income Taxes (continued)

As at December 31, 2023, the Company has non-capital losses carried forward of \$3,441,101, which are available to offset future years' taxable income. These losses expire as follows:

	\$
2026	18,442
2027	306,733
2028	534,473
2029	339,108
2030	241,076
2031	253,369
2032	185,951
2033	115,537
2034	136,870
2035	65,896
2036	314,946
2037	52,419
2038	58,952
2039	83,054
2040	128,660
2041	193,400
2042	227,728
2043	184,487
	3,441,101

The Company also has available mineral resource related expenditure pools totalling \$7,293,863 which may be deducted against future taxable income on a discretionary basis.