STANS ENERGY CORP.

Condensed Interim Consolidated Financial Statements

For the three and six months ended June 30, 2023

(Unaudited)

(Expressed in Canadian Dollars)

Stans Energy Corp.
(the "Company")
NOTICE OF NO AUDITOR REVIEW OF CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

Under National Instrument 51-102, Part 4, subsection 4.3(3) (a), if an auditor has not performed a review of the condensed interim consolidated 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 consolidated 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 financial statements.

DATED this 16th day of August 2023.

STANS ENERGY CORP.

Per: *(Signed) "Rodney Irwin"*
Name: Rodney Irwin
Title: Interim Chief Executive Officer

Per: *(signed) "Boris Aryev"*
Name: Boris Aryev
Title: Interim Chief Financial Officer

Stans Energy Corp.
Condensed Interim Consolidated Statements of Financial Position
(Expressed in Canadian dollars)
Unaudited

		June 30, 2023	December 31, 2022
ASSETS			
Current assets			
Cash and cash equivalents		**$ 29,082**	$ 6,384
HST receivable		**20,357**	40,636
Prepaid expenses and other assets		**5,709**	7,514
Total assets		**55,148**	54,534
LIABILITIES AND SHAREHOLDERS' EQUITY			
Current liabilities			
Accounts payable and accrued liabilities		**$ 1,535,278**	$ 1,483,527
Due to related parties	Note 11	**1,493,790**	1,291,393
Total current liabilities		**3,029,068**	2,774,920
Equity			
Common shareholders' deficiency:			
Share capital	Note 8 a	**44,113,163**	44,113,163
Warrants	Note 8 b	**69,822**	148,476
Contributed surplus		**18,398,069**	18,319,415
Accumulated other comprehensive income		**346,291**	311,630
Deficit		**(65,901,265)**	(65,613,070)
Total common shareholders' deficiency		**(2,973,920)**	(2,720,386)
Total liabilities and shareholders' deficiency		**$ 55,148**	$ 54,534

Going concern (Note 1)
Segmented information (Note 7)

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

Approved by the Board of Directors on August 16, 2023.

"Gordon Baker", DIRECTOR

"Albert Grenke", DIRECTOR

"Douglas Underhill", DIRECTOR

Stans Energy Corp.
Condensed Interim Consolidated Statements of Income or Loss and Comprehensive Income or Loss
For the three and six months ended June 30, 2023 and 2022
(Expressed in Canadian dollars)
Unaudited

		Three months ended		Six months ended	
	Note	**June 30, 2023**	June 30, 2022	**June 30, 2023**	June 30, 2022
Expenses					
General and Administrative					
Office and administration	***15***	**(44,284)**	(43,492)	**(82,176)**	(107,382)
Consulting fees		**(68,706)**	(67,637)	**(137,592)**	(135,109)
Professional fees		**(47,119)**	(31,316)	**(73,342)**	(67,823)
Stock-based compensation	***11c***	**-**	-	**-**	(199,000)
Amortization of right of use assets		**-**	(8,134)	**-**	(16,267)
General and administrative expenses		**(160,109)**	(150,579)	**(293,110)**	(525,581)
Interest on lease obligations		**-**	(484)	**-**	(1,202)
Unrealized foreign exchange gain/(loss)		**17,226**	(7,054)	**17,817**	2,200
Interest expense		**(7,409)**	(4,576)	**(12,902)**	(8,414)
Loss for the period		**(150,292)**	(162,693)	**(288,195)**	(532,997)
Other comprehensive income/(loss)					
Foreign currency translation of foreign operations		**31,551**	(35,595)	**34,661**	(16,029)
Comprehensive loss for the period		**118,741**	(198,288)	**(253,534)**	(549,026)
Basic and diluted income/(loss) per share	***16***	**$(0.00)**	$(0.00)	**$ (0.00)**	$ (0.00)
Weighted average number of common shares					
Basic and diluted		**189,828,586**	189,531,569	**189,828,586**	189,116,696

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

Stans Energy Corp.
Condensed Interim Consolidated Statements of Changes in Deficiency
For the six months ended June 30, 2023 and 2022
(Expressed in Canadian dollars)
Unaudited

		June 30, 2023	June 30, 2022
Share capital			
Balance beginning of period		**$ 44,113,163**	$ 44,057,163
Issued for debt settlement	*Note 8a*	**-**	56,000
Balance at the end of the period		**44,113,163**	44,113,163
Warrants			
Balance beginning of period		**148,476**	206,996
Fair value of warrants expired	*Note 8b*	**(78,654)**	-
Balance at the end of the period		**69,822**	206,996
Contributed surplus			
Balance beginning of period		**18,319,415**	18,061,895
Stock-based compensation	*Note 8c*	**-**	199,000
Warrants expired	*Note 8b*	**78,654**	-
Balance at the end of the period		**18,398,069**	18,260,895
Accumulated other comprehensive income			
Balance beginning of period		**311,630**	322,791
Foreign currency translation adjustment		**34,661**	(16,029)
Balance at the end of the period		**346,291**	306,762
Deficit			
Balance beginning of period		**(65,613,070)**	(64,805,629)
Net loss		**(288,195)**	(532,997)
Balance at the end of the period		**(65,901,265)**	(65,338,626)
Total common shareholders' deficiency		**$ (2,973,920)**	$ (2,450,810)

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

Stans Energy Corp.
Condensed Interim Consolidated Statements of Cash Flows
For the six months ended June 30, 2023 and 2022
(Expressed in Canadian dollars)
Unaudited

	June 30, 2023	June 30, 2022
Operating activities		
Net loss for the period	**$ (288,195)**	$ (532,997)
Items not affecting cash:		
Stock-based compensation	**-**	199,000
Amortization of right of use assets (Note 6)	**-**	16,267
Interest on lease obligations (Note 6)	**-**	1,202
Unrealized foreign exchange gain	**(17,817)**	(2,200)
Interest expense	**12,902**	8,414
	(293,110)	(310,314)
Net change in non-cash working capital:		
Decrease in HST receivable	**20,279**	12,697
Decrease in prepaid expenses and other assets	**1,805**	29
(Decrease)/increase in accounts payable and accrued liabilities	**(35,567)**	114,999
Increase in due to related parties	**202,397**	122,479
Net cash from/(used) in operating activities	**(104,196)**	(60,110)
Financing activities		
Loan from related parties (Note 11)	**117,000**	48,500
Repayment of lease obligations	**-**	(20,006)
Net cash (used)/from financing activities	**117,000**	28,494
Effect of exchange rate changes on cash	**9,894**	(18,946)
Change in cash and cash equivalents	**22,698**	(50,562)
Cash and cash equivalents, beginning of period	**6,384**	63,496
Cash and cash equivalents, end of period	**$ 29,082**	$ 12,934

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

1. NATURE OF OPERATIONS AND GOING CONCERN

Stans Energy Corp. (the "Company" or "Stans") was incorporated on September 26, 2005 under the laws of the Province of Ontario. Stans Energy Corp. is a resource development company focused on advancing rare and specialty metals properties and processing technologies. Stans' common shares are listed on the TSX Venture Exchange ("TSXV") under the symbol HRE-H.V and on the OTCQB market under the symbol HREEF. The head office, principal address and records office of the Company are located at 2466 Dundas Street, Unit 101, Toronto, ON, M6P 1W9.

These unaudited condensed interim consolidated financial statements ("Financial Statements") have been prepared on a going concern basis which assumes the Company will continue its exploration and development activities for the foreseeable future and will be able to discharge its liabilities in the normal course of business as they become due. As at June 30, 2023, the Company had an accumulated deficit of $65,901,265 (June 30, 2022 - $65,338,626), a working capital deficiency of $2,973,920 (2022 - $2,461,654), after providing for $1,493,790 (2022 - $1,129,476) due to related parties and cash of $29,082 (2022 - $12,934). The Company incurred a loss of $288,195 for the six months ended June 30, 2023 (2022 - $532,997).

The Company has no sources of revenue and has experienced losses and negative cash flows from operations since the 2011 fiscal year. The Company's ability to continue as a going concern is uncertain and is dependent upon its ability to continue to raise adequate financing for new projects. There can be no assurance that the Company will be successful in this regard, and therefore, there is doubt regarding the Company's ability to continue as a going concern, and accordingly, the use of accounting principles applicable to a going concern. These Financial Statements do not reflect adjustments that would be necessary if the "going concern" assumption is not appropriate. If the "going concern" assumption is not appropriate, adjustments to the carrying values of the assets and liabilities, the expenses and the balance sheet classifications, which could be material, would be necessary.

The recoverability of expenditures on its resource properties is dependent upon the existence of resources that are economically recoverable, the ability of the Company to obtain necessary financing to complete the exploration and the development of the properties, and upon future profitable production or proceeds from disposition thereof.

On August 16, 2023, the Board of Directors approved the Financial Statements for the three and six months ended June 30, 2023.

2. BASIS OF PREPARATION AND STATEMENT OF COMPLIANCE WITH IAS 34

These Financial Statements form part of the period covered by the Company's International Financial Reporting Standards ("IFRS") annual consolidated financial statements. These Financial Statements have been prepared in accordance with IAS 34 - *Interim Financial Reporting* and on the basis of IFRS standards and interpretations expected to be effective as at the Company's IFRS annual reporting date, December 31, 2023.

These Financial Statements do not contain all the disclosures required by IFRS for annual financial statements and should be read in conjunction with the Company's audited annual consolidated financial statements for the year ended December 31, 2022 prepared in accordance with International Accounting Standards as issued by the International Accounting Standards Board ("IASB") and interpretations of the International Financial Reporting Interpretations Committee ("IFRIC") in effect as of June 30, 2023.

In the opinion of management, all adjustments considered necessary for fair presentation have been included in these Financial Statements. Operating results for the six months ended June 30, 2023, may not be indicative of the results that may be expected for the year ending December 31, 2023. Certain comparative figures included in the statement of cash flows have been reclassified to comply with the basis of the presentation.

(Expressed in Canadian dollars unless otherwise stated)

3. SIGNIFICANT ACCOUNTING POLICIES

(a) Principles of consolidation

These Financial Statements include the accounts of Stans and its subsidiaries. Subsidiaries are entities controlled by the Company. Control is the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. Subsidiaries are included in the financial statements from the date control is obtained until the date control ceases. Where the Company's interest in a subsidiary is less than 100%, the Company recognizes non-controlling interests. All intercompany balances, transactions, income, expenses, profits and losses, including unrealized gains and losses have been eliminated on consolidation. Stans and all of its subsidiaries have a reporting date of December 31.

The following companies have been consolidated within these Financial Statements:

Company Subsidiaries	Property location	% of ownership and voting rights	Principal activity	Functional currency
Stans Energy Corp.	Canada	n/a	Corporate and holding	CAD
Kutisay Mining LLC	Kyrgyz Republic	100%	Exploration	USD
Kashka REE Plant Ltd.	Kyrgyz Republic	100%	Extraction	USD
SevAmRus CJSC	Russian Federation	100%	Research	RUB

4. ACCOUNTING CHANGES AND RECENT ACCOUNTING PRONOUNCEMENTS

New Standards and Interpretations issued and adopted

At the date of authorization of these Financial Statements for the six months ended June 30, 2023, the following standards which are applicable to the Corporation were issued.

- IAS 1: Presentation of Financial Statements ("IAS 1"), has been amended to clarify how to classify debt and other liabilities as either current or non-current. The amendment to IAS 1 is effective for the years beginning on or after January 1, 2023.

Accounting pronouncements issued but not yet adopted

At the date of approval of these Financial Statements for the six months ended June 30, 2023, there are no issued but unadopted standards which would have a material impact on the Company.

5. SIGNIFICANT ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of the Company's interim consolidated financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the consolidated financial statements and reported amounts of expenses during the reporting period. The areas involving significant judgment and estimates have been set out in Note 5 of the Company's annual audited consolidated financial statements for the year ended December 31, 2022. Certain comparative figures included in the statement of cash flows have been reclassified to comply with the basis of the presentation.

(Expressed in Canadian dollars unless otherwise stated)

6. LEASES

Set out below are the carrying amounts of right-of-use assets recognized and the movements during the period:

	Office space
Right of use assets	
As at January 1, 2022	**27,111**
Amortization expense	27,111
As at December 31, 2022	**-**
Amortization expense	-
As at June 30, 2023	**-**

The Company leases office space. The remaining lease term is nil years (2022: 0.3 years)

Set out below are the carrying amounts of lease liabilities and the movements during the period:

	2023	**2022**
As at January 1	**-**	**31,799**
Interest on lease obligations	-	1,202
Lease payments	-	(20,006)
As at June 30	**-**	**12,995**
Current	-	12,995
Non-current	-	-

The following are the amounts recognized in profit or loss:

	2023	**2022**
Amortization of right-of-use assets	-	16,267
Interest on lease obligations	-	1,202
Total amount recognized in profit or loss	**-**	**17,469**

Maturity analysis

	2023	**2022**
Year 1	-	13,266
Less: unearned interest	-	(271)
	-	**12,995**

(Expressed in Canadian dollars unless otherwise stated)

7. SEGMENTED INFORMATION

As at June 30, 2023 and December 31, 2022 the Company's assets were located in the following countries:

	June 30, 2023	December 31, 2022
Assets		
Canada	**$ 53,510**	$ 46,065
Kyrgyz Republic	**1,638**	8,469
Total	**$ 55,148**	$ 54,534

Net loss		
Canada	**$(201,952)**	$(681,028)
Kyrgyz Republic	**(86,243)**	(126,413)
Russian Federation	**-**	-
Total	**$(288,195)**	$(807,441)

8. SHARE CAPITAL

(a) Common shares

The Company is authorized to issue an unlimited number of no par value common shares. The following table provides the details of changes in the number of issued common shares.

	Number #	***Amount*** $
Balance December 31, 2021	188,708,586	44,057,163
Shares issued for debt settlement (ii)	1,120,000	56,000
Balance December 31, 2022	189,828,586	44,113,163
	-	-
Balance June 30, 2023	189,828,586	44,113,163

(i) On February 17, 2022, the Company issued 1,120,000 shares at a price of $0.05 per common share to settle a partial debt owed from compensation arrears with the former Company's Chief Financial Officer in the total amount of $56,000.

(b) Warrants

On certain issuances of common shares, the Company grants warrants entitling the holder to acquire additional common shares of the Company, and the Company also grants warrants as consideration for services associated with the placement of such common share issues.

The following table provides the details of changes in the number of outstanding common share purchase warrants:

	Number #	***Value*** $
Balance, December 31, 2021	8,500,000	206,996
Expired, not exercised	(2,400,000)	(58,520)
Balance, December 31, 2022	6,100,000	148,476
Expired, not exercised	(3,300,000)	(78,654)
Balance June 30, 2023	2,800,000	69,822

(Expressed in Canadian dollars unless otherwise stated)

Number of warrants	Remaining contractual life	Exercise price per warrant	Expiry date
2,800,000	1.01 years	$0.06	July 3, 2024

(c) Common share purchase options

The Company has a stock option plan for the benefit of directors, officers, key employees, and consultants. The total number of shares which may be reserved and set aside for issuance to eligible persons may not exceed 10% of the issued and outstanding common shares. As at June 30, 2023, 18,200,000 common shares were reserved for the exercise of stock options granted under the Company's stock option plan (the "Plan").

The following table provides the details of changes in the number of issued common share purchase options during the periods:

	Options #	**Weighted-average exercise price** $
Outstanding at December 31, 2021	15,300,000	0.06
Expired, unexercised	(7,100,000)	0.06
Granted	10,000,000	0.05
Outstanding at December 31, 2022	18,200,000	0.05
	-	-
Outstanding at June 30, 2023	18,200,000	0.05
Options exercisable at June 30, 2023	18,200,000	0.05

Number of stock options	Number exercisable	Remaining contractual life	Exercise price per share	Expiry date
5,900,000	5,900,000	0.73 years	$0.05	March 22, 2024
2,300,000	2,300,000	1.04 years	$0.05	July 15, 2024
10,000,000	10,000,000	3.68 years	$0.05	March 4, 2027
18,200,000	18,200,000			

The value of the options issued on March 3, 2022, was calculated as $0.0199 per share. The fair value was estimated at the date of grant using the Black-Scholes pricing model with the following assumptions: risk-free weighted-average interest rate of 2.26%, expected dividend yield of nil, expected volatility of 417.7 and expected life term of 60 months. The options vested immediately on the date of grant.

9. CAPITAL MANAGEMENT

The Company's objective when managing capital is to maintain its ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders. The Company includes equity, comprised of issued common shares, contributed surplus, share purchase warrants, accumulated other comprehensive income and deficit and loan financing in the definition of capital. Management adjusts the capital structure as necessary in order to support the acquisition, exploration and development 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 team to sustain the future development of the business.

There were no other changes to the Company's approach to capital management during the six months ended June 30, 2023.

10. FINANCIAL RISK MANAGEMENT

Credit risk

Credit risk relates to cash and cash equivalents and HST receivable and arises from the possibility that any counterparty to an instrument fails to perform. The Company thoroughly examines the various financial risks to which it is exposed and assesses the impact and likelihood of those risks. Where material, these risks are reviewed and monitored by the Board of Directors. As at June 30, 2023, the Company's maximum exposure to credit risk was the carrying value of cash and cash equivalents, and HST receivable.

The Company has no significant concentration of credit risk arising from operations. The Company's cash and short-term investments are either on deposit with one of highly rated banking groups in Canada or invested in guaranteed investment certificates issued by one of highly rated Canadian banking groups. HST receivables consist of sales tax receivable from government authorities in Canada.

Liquidity risk

The Company's exposure to liquidity risk is dependent on its ability to raise funds to meet purchase commitments and to sustain operations. The Company controls its liquidity risk by managing working capital and cash flows by litigation or alternative sources of financing. The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. As at June 30, 2023, the Company had a cash balance of $28,082 (2022 - $11,934) and short term investments of $1,000 (2022 - $1,000) to settle current liabilities of $3,029,068 (2022 - $2,513,286). All of the Company's financial liabilities, with the exception of the litigation funding received, have contractual maturities of less than 12 months and are subject to normal trade terms. Refer to Note 1 for the liquidity risk related to going concern.

Pandemic COVID-19 risk

On March 11, 2020 the World Health Organization declared the COVID -19 infectious virus a global pandemic, with resulting travel bans, physical distancing, closing of social, cultural and educational facilities and non-essential businesses. Global financial equity markets have declined considerably and remain volatile. The possible effect on the Company could include difficulty in accessing exploration sites and hiring personnel for exploration programs, as well as in raising additional equity financing. The global shutdown and isolation of the people is showing progress in the decline of the rate of infection, but the timing to return to normal and the impact on the Company's operations is difficult to project.

Market risk

a) Interest Rate Risk

The Company's current policy is to invest excess cash in investment grade short-term deposit certificates issued by banking institutions. The Company periodically monitors the investments it makes and is satisfied with the credit ratings of the banks. The Company does not have any interest-bearing debt.

b) Foreign Currency Risk

In the normal course of operations, the Company is exposed to currency risk due to business transactions in foreign countries. Transactions related to the Company's exploration and acquisition activities are mainly denominated in United States dollars ("USD") and some in Kyrgystani SOM and Russian Rubles. Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of the changes in the foreign exchange rate. The Company has not entered into any derivative contracts to manage this risk. Monetary assets and liabilities denominated in foreign currencies are translated into Canadian dollars ("CAD") at the period-end exchange rates. As at June 30, 2023 and December 31, 2022, the CAD equivalent of the Company's foreign financial instruments, primarily denominated in USD, is as follows:

(Expressed in Canadian dollars unless otherwise stated)

	Canadian Dollar June 30, 2023	Canadian Dollar December 31, 2022
Cash	**$ 172**	$ 5,201
Other receivables	**1,467**	3,272
	1,639	8,473
Accounts payable and accrued liabilities	**(1,417,737)**	(1,346,213)
Net liabilities exposure	**$ (1,416,098)**	$ (1,337,740)

Based on the above net exposures at June 30, 2023, a 10% depreciation or appreciation of the above currencies against the CAD dollar would result in an increase or decrease, respectively, in net loss by $128,906 (December 31, 2022 - $121,670).

11. RELATED PARTY TRANSACTIONS

Transactions with related parties were in the normal course of operations and were measured at the same value as if the transactions had occurred with non-related parties. The amount of consideration established and agreed to by the related party.

For the three and six months ended June 30, 2023 and 2022, the Company incurred related party expenses with key management personnel: President and Interim Chief Executive Officer, Chief Operating Officer and Chief Financial Officer, and independent directors is as follows:

	Three months ended		**Six months ended**	
	June 30, 2023	June 30, 2022	**June 30, 2023**	June 30, 2022
Key management personnel compensation	**$ 46,500**	$ 46,500	**$93,000**	$93,000
Stock-based compensation	**-**	-	**-**	149,250
Director's fees	**6,000**	6,000	**6,000**	6,000
	$ 52,500	$ 52,500	**$99,000**	$248,250

As at June 30, 2023 the Company held cash loan from directors of the Company in the amount of $334,700 with accrued interest $48,174 based on borrowing rate 10% (2022 - $196,700 and $24,579).

The following table provides the details of amounts due to these related parties as of June 30:

	Three months ended		**Six months ended**	
	June 30, 2023	June 30, 2022	**June 30, 2023**	June 30, 2022
Key management personnel compensation	**$ 39,749**	$ 51,230	**$1,029,916**	$839,197
Directors' fees to independent directors	**6,000**	6,000	**81,000**	69,000
Loan from related parties	**115,000**	37,500	**334,700**	196,700
Interest charged	**7,408**	5,409	**48,174**	24,579
	$ 168,157	$ 100,139	**$1,493,790**	$1,129,476

As disclosed in Note 8 (a), on February 17, 2022, the Company issued 1,120,000 shares at a price of $0.05 per common share to settle a partial debt owed from compensation arrears with the former Company's Chief Financial Officer in the total amount of $56,000.

On March 7, 2022, the Company issued 7,500,000 stock options to directors and management at $0.05 per share for a period of five years from issuance.

(Expressed in Canadian dollars unless otherwise stated)

12. OFFICE AND ADMINISTRATION EXPENSES

	Three months ended		**Six months ended**	
	June 30, 2023	June 30, 2022	**June 30, 2023**	June 30, 2022
Salaries, benefits and director's fees	**$ 31,092**	$ 30,010	**$ 56,424**	$ 57,931
Travel expenses	**1,806**	1,758	**2,105**	3,931
Other office and administration expenses	**11,386**	11,724	**23,647**	45,520
	$ 44,284	$ 43,492	**$ 82,176**	$ 107,382

13. EARNINGS PER SHARE

Earnings per share have been calculated using the weighted average number of common shares and common share equivalents issued and outstanding during the period. Stock options are reflected in diluted earnings per share by application of the treasury method.

The following table details the weighted average number of outstanding common shares for the purpose of computing basic and diluted earnings per common share for the following periods:

	Three months ended		**Six months ended**	
	June 30, 2023	June 30, 2022	**June 30, 2023**	June 30, 2022
Net income/(loss) attributable to common shareholders	**$(150,292)**	$(162,693)	**$(288,195)**	$(532,997)
Basic and diluted weighted average shares outstanding	**189,828,586**	189,531,569	**189,828,586**	189,116,696
Basic and diluted income/(loss) per share	**$ (0.00)**	$ (0.00)	**$ (0.00)**	$ (0.00)