O Rei Resources Corp.
(formerly 1472879 B.C Ltd.)

FINANCIAL STATEMENTS

For the three months ended March 31, 2025

O Rei Resources Corp.
(formerly 1472879 B.C. Ltd.)
STATEMENT OF FINANCIAL POSITION
(Expressed in Canadian dollars)

	Note	As at March 31, 2025 $
ASSETS		
Current		
Cash at bank	4	181
Cash in trust	4	13,806,464
Deposit	5	719,450
Deferred share issuance costs	7	165,317
Share subscription receivable	7	7,140
Total assets		**14,698,551**
LIABILITIES		
Current liabilities		
Accounts payable		112,067
Accrued liabilities		293,517
Subscriptions in advance	7	14,603,296
Promissory notes	8	15,731
Total liabilities		**15,024,611**
SHAREHOLDER'S DEFICIENCY		
Share capital	7	18,304
Deficit		(344,363)
Total shareholder's deficiency		(326,509)
Total liabilities and shareholders' deficiency		**14,698,551**

Nature of operations and going concern (Note 1)
Subsequent event (Note 12)

Approved by the Board of Directors on May 29, 2025:

"Scott Dunlop"
Director

"Denis Silva"
Director

O Rei Resources Corp.
(formerly 1472879 B.C. Ltd.)
STATEMENT OF LOSS AND COMPREHENSIVE LOSS
(Expressed in Canadian dollars)

	For the three months ended March 31, 2025 $
Operating expenses	
Audit & Legal fees	**66,324**
Business fees and licenses	**2,766**
Consulting fees	**63,355**
Others	**74**
	132,519
Loss and comprehensive loss for the period	**(132,519)**
Loss per share	
Basic and diluted	**0.14**
Weighted average number of common shares outstanding - basic and diluted	**2,013,339**

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

O Rei Resources Corp. (formerly 1472879 B.C. Ltd.)
STATEMENT OF CHANGES IN SHAREHOLDER'S DEFICIENCY
(Expressed in Canadian dollars)

	Number of shares	Share capital $	Deficit $	Total $
Balance, December 31, 2024	**2,013,339**	**18,304**	**(211,844)**	**(193,540)**
Share issuance – Arrangement	-	-	-	-
Share issuance – reverse vesting private place	-	-	-	-
Share issuance – trust shares	-	-	-	-
Loss for the period	-	-	(132,519)	(132,519)
Balance, March 31, 2025	**2,013,339**	**18,304**	**(344,363)**	**(326,059)**

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

O Rei Resources Corp.
(formerly 1472879 B.C. Ltd.)
STATEMENT OF CASH FLOWS
(Expressed in Canadian dollars)

	For the three months ended March 31, 2025 $
Cash flows provided by (used in)	
Operating activities	
Net loss for the period	(132,519)
Change in non-working capital items:	
Accounts payable and accrued liabilities	4,237
Promissory notes	7,228
Subscriptions received in advance	1,362,684
	(1,241,630)
Investing activities	
Deposit	-
	-
Financing activities	-
Net change in cash	(1,241,630)
Cash - beginning of period	12,565,014
Cash - end of period	13,806,645
Non-cash transaction:	
Deferred share issuance costs	165,317

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

1. Nature of operations

Nature of operations

O Rei Resources Corp. (formerly 1472879 B.C. Ltd.) (the “Company”) was incorporated under the *British Columbia Business Corporations Act* on March 26, 2024. The principal business of the Company is the exploration and evaluation of mining properties. The head office and registered records office address of the Company is located at Suite 2700, 1133 Melville Street, Vancouver, BC V6E 4E5.

During the period ended December 31, 2024, Kobe Resources Ltd. (“Kobe”) incorporated two subsidiaries, Black Pearl Resources Corp. and the Company (the “Subsidiaries”). On April 15, 2024, Kobe entered into an arrangement agreement with the Subsidiaries whereby all of the issued and outstanding shares of the Subsidiaries were distributed to the shareholders of Kobe (the “Arrangement”). In July 2024, the Arrangement was finalized. Each shareholder of Kobe received one common share of the Company for every fifty common shares of Kobe Resources Ltd.

In October 2024, and subsequently amended in January 2025, the Company entered into a definitive share purchase agreement (the “Definitive Agreement”) to acquire a gold project (the “Project”), along with all related assets and liabilities, from a Canadian company (the “Seller”) (the “Transaction”) (note 5).

2. Basis of presentation and material accounting policy information

Statement of Compliance

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

The financial statements were authorized for issue by the Board of Directors on May 29, 2025.

Basis of Presentation

These financial statements have been prepared on a historical cost basis, except for any financial assets and liabilities held at fair value, as explained in the accounting policies set out below. In addition, these consolidated financial statements have been prepared using the accrual basis of accounting except for cash flow information.

The financial statements are presented in Canadian Dollars, which is also the Company’s functional currency.

Cash

Cash consists of deposits held in banks and in trust with legal advisors. Cash held in escrow consists of subscription receipt deposits held in the Company trust account (Note 7). As at March 31, 2025, the balance held in the Company trust and bank accounts is $13,806,645 and is presented on the statement of financial position. The subscription receipts are subject to the closing of the Transaction and are therefore not available for general use by the Company.

Foreign currency transactions

Transactions and balances

At the transaction date, each asset, liability, revenue and expense denominated in a foreign currency is translated into the relevant functional currency using the exchange rate in effect at that date. At the reporting period end date, monetary assets and liabilities are translated into the relevant functional currency using the exchange rate in effect at that date and the related translation differences are recognized in profit or loss.

2. Basis of presentation and material accounting policy information (continued)

Non-monetary assets and liabilities that are measured at historical cost are translated into the relevant functional currency by using the exchange rate in effect at the date of the initial transaction and are not subsequently restated.

Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Classification

The Company classifies its financial instruments in the following categories: at fair value through profit and loss ("FVTPL"), at fair value through other comprehensive income (loss) ("FVTOCI") or at amortized cost. The Company determines the classification of financial assets at initial recognition. The classification of debt instruments is driven by the Company's business model for managing the financial assets and their contractual cash flow characteristics. Equity instruments that are held for trading are classified as FVTPL. For other equity instruments, on the day of acquisition the Company can make an irrevocable election (on an instrument-by-instrument basis) to designate them as at FVTOCI. Financial liabilities are measured at amortized cost, unless they are required to be measured at FVTPL (such as instruments held for trading or derivatives) or if the Company has opted to measure them at FVTPL.

The Company classifies all financial assets as held at amortized cost.

Financial assets

Financial assets at amortized cost are initially recognized at fair value plus or minus transaction costs, respectively, and subsequently carried at amortized cost less any impairment.

Financial liabilities

The Company classifies its financial liabilities into the following categories: financial liabilities at FVTPL and amortized cost. The Company classifies all financial liabilities as held at amortized cost.

A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative, or it is designated as such on initial recognition. Directly attributable transaction costs are recognized in profit or loss as incurred. The fair value changes to financial liabilities at FVTPL are recognized in the Statement of Income or Loss. The Company does not designate any financial liabilities as FVTPL.

Other non-derivative financial liabilities, are initially measured at fair value less any directly attributable transaction costs. Subsequent to initial recognition, these liabilities are measured at amortized cost using the effective interest method.

Loss per share

Basic loss per share is computed by dividing net loss by the weighted average number of common shares outstanding during the period. The computation of diluted loss per share assumes the conversion, exercise or contingent issuance of securities only when such conversion, exercise or issuance would have a dilutive effect on loss per share. For this purpose, the treasury stock method is used for the assumed proceeds upon the exercise of stock options and warrants that are used to purchase common shares at the average market price during the period. Diluted amounts are not presented when the effects of the computation are anti-dilutive.

Income Taxes

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used are those that are substantively enacted by the end of the reporting date.

Deferred income tax is provided using the liability method on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting. The change in the net deferred income tax asset or liability is included in income except for deferred income tax relating to equity items which is recognized directly in equity. The income tax effects of differences in the periods when revenue and expenses are recognized, in accordance with Company's accounting practices, and the periods they are recognized for income tax purposes are reflected as deferred income tax assets or liabilities. Deferred income tax assets and liabilities are measured using the substantively enacted statutory income tax rates which are expected to apply to taxable income in the years in which the assets are realized or the liabilities settled. A valuation allowance is recorded against any deferred tax asset if it is not probable to be utilized against future taxable profit.

Deferred income tax assets and liabilities are offset only if a legally enforceable right exists to offset current tax assets against liabilities and the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on the same taxable entity and are intended to be settled on a net basis.

The determination of current and deferred taxes requires interpretations of tax legislation, estimates of expected timing of reversal of deferred tax assets and liabilities, and estimates of future earnings.

Share capital

Financial instruments issued by the Company are classified as equity only to the extent that they do not meet the definition of a financial liability or financial asset. The Company's common shares and share purchase warrants are classified as equity instruments. Transaction costs directly attributable to the issue of common shares and share purchase warrants are recognized as a deduction from equity, net of any tax effects.

For unit offerings, the proceeds from issuance of units are allocated between shares and share purchase warrants using the residual method, allocating fair value of the common shares first, and then to the share purchase warrants.

Costs directly attributable to the raising of capital are charged against the related share capital. Costs related to shares not yet issued are recorded as deferred share issuance costs. These costs are deferred until the issuance of the shares to which the costs relate, at which time the costs will be charged against the related share capital or charged to profit or loss if the shares are not issued.

(Expressed in Canadian dollars)

Accounting standards issued but not yet effective

The Company has reviewed new and revised accounting pronouncements that have been issued but are not yet effective.

IFRS 18 – Presentation and Disclosure in Financial Statements – In April 2024, the IASB issued IFRS 18, Presentation and Disclosure of Financial Statements (IFRS 18), which replaces IAS 1, Presentation of Financial Statements. IFRS 18 introduces a specified structure for the income statement by requiring income and expenses to be presented into the three defined categories of operating, investing and financing, and by specifying certain defined totals and subtotals. Where company-specific measures related to the income statement are provided, IFRS 18 requires companies to disclose explanations around these measures, which are referred to as management defined performance measures. IFRS 18 also provides additional guidance on principles of aggregation and disaggregation which apply to the primary financial statements and the notes. IFRS 18 will not affect the recognition and measurement of items in the financial statements, nor will it affect which items are classified in other comprehensive income and how these items are classified.

The standard is effective for reporting periods beginning on or after January 1, 2027, including for interim financial statements. Retrospective application is required, and early application is permitted. The Company is currently assessing the effect of this standard on its consolidated financial statements.

3. Significant accounting estimates and judgments

The preparation of financial statements in conformity with IFRS requires management to make estimates and assumptions that affect amounts reported in the financial statements and accompanying notes. Management believes the estimates and assumptions used in these financial statements are reasonable; however, actual results could differ from those estimates and could impact future results of operations and cash flows.

The Company's significant accounting judgment has been applied in these financial statements:

Judgment

Management makes judgments related to expectation of future taxable income, applicable tax opportunities, expected timing of reversals of existing temporary differences and the likelihood that tax positions taken will be sustained upon examination by applicable tax authorities.

4. Cash

As of March 31, 2025, the Company held the following cash:

	March 31, 2025
	$
Cash at bank	181
Cash held in trust	13,806,464
Total Cash	**13,806,645**

Cash held in trust represents various cash balances held by an escrow agent subject to closing of the Transaction (note 5).

(Expressed in Canadian dollars)

5. Transaction - Gold Project

On October 8, 2024, and subsequently amended on January 21, 2025, the Company entered into the Definitive Agreement to acquire the Project from the Seller.

The total consideration is payable as follows:

- Initial deposit of US$500,000 payable by the Company to the Seller (paid);
- Closing payment of US$3,500,000 held in escrow funds by the escrow agent;
- Issuance of common shares of the Company to the Seller with an aggregate value of US$4,000,000, plus an amount equal to 100% of all cash contributions received by the Seller from the Company in response to any cash calls made by the Seller between the date on which a certain property extension condition was satisfied and the closing, up to a maximum of US$1,200,000 in cash;
- Post-closing cash payments of an aggregate of US$22,000,000, upon the achievement of certain milestones; and
- The mineral properties acquired are subject to a net smelter return royalty of 1.5% based upon mineral products produced.

As of March 31, 2025, the carrying balance of the deposit is $719,450 (US$500,000), which is non-refundable.

6. Income taxes

Reconciliation of Effective Tax Rate

The Company is subject to Canadian federal and provincial tax for the estimated assessable profit at a rate of 27%. The Company had no assessable profit for all periods disclosed.

The tax expense at statutory rates for the Company can be reconciled to the reported loss for the year per the Statement of Loss and Comprehensive Loss as follows:

	For the three months ended March 31, 2025 $
Net loss before income taxes	(132,519)
Statutory income tax rate	27%
Income tax recovery	35,780
Tax effect of net deferred tax assets not recognized	(35,780)
Total income tax expense	**-**

The Company's unrecognized deferred income taxes are as follows:

	As at March 31, 2025 $
Non-capital losses	344,363
Unrecognized deferred tax assets	(344,363)
Total deferred income tax assets	-

(Expressed in Canadian dollars)

6. Income taxes (continued)

In assessing the recoverability of deferred tax assets other than deferred tax assets resulting from the initial recognition of assets and liabilities that do not affect accounting or taxable profit, management considers whether it is more likely than not that some portion or all of the deferred tax assets will be realized. The ultimate realization of deferred tax assets is dependent upon the generation of future taxable income during the periods in which those temporary differences become deductible. As the Company has no revenues, enough evidence is not yet available to determine if the Company will be able to recognize its deferred tax assets. None of the deferred tax assets have therefore been recognized in the Company's Statement of Financial Position.

The significant component of the temporary differences is as follows:

	2025 $	Expiry date
Non-capital losses:	344,363	2044

7. Share Capital

Authorized: The Company is authorized to issue an unlimited number of common shares without par value.

Issued and outstanding capital

i. On June 14, 2024, the Company issued 183,029 shares in relation to the Arrangement.

ii. On August 19, 2024, the Company closed a non-brokered private placement of 1,299,521 common shares of the Company (the "**Seed Shares**") for gross proceeds of $12,995. The Seed Shares are subject to reverse vesting, whereby they will vest upon the closing of the Transaction.

iii. On August 19, 2024, the Company issued 530,789 common shares of the Company (the "Trust Shares") for the gross proceeds of $5,308, including to a director to hold in trust for future eligible persons. On March 11, 2025, 487,932 of the Trust Shares were distributed to certain eligible persons for gross proceeds of $4,879. As of March 31, 2025, the Company recorded a Trust Share subscription receivable of $146. The Trust Shares are subject to reverse vesting, whereby they will vest upon the closing of the Transaction.

Share subscriptions received in advance

During the period ended December 31, 2024, the Company issued 2,162,941 subscription receipts at a price of $5.46 per subscription receipt for the gross proceeds of $11,809,658 ("the "Offering"). On January 23, 2025, the Company closed the second tranche of the Offering issuing 510,000 subscription receipts at a price of $5.46 per subscription receipt for gross proceeds of $2,790,039.

Each subscription receipt will be automatically converted, without payment of additional consideration into one common share of the Company upon closing of the Transaction. The Proceeds are held in escrow trust accounts administered by the escrow agent. If the Transaction is not completed, all the Proceeds will be returned to the holder of subscription receipts, together with their pro rata portion of the income earned thereon.

Deferred share issuance costs

In relation to the issuance of subscription receipt, the Company incurred share issuance costs of $165,317, which were recognized as deferred share issuance costs as of March 31, 2025.

8. Promissory notes

On June 30, 2024, the Company issued promissory notes for an amount of $15,731. The notes are unsecured, interest free with no repayment term.

9. Related party transactions

Related parties include members of the Board of Directors, officers of the Company (key management personnel) and close family members of these individuals. In addition, companies controlled by these individuals are also related parties of the Company.

Key management personnel consist of officers and directors of the Company. No compensation was paid to key management personnel in the period ended March 31, 2025.

10. Financial Instruments

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:
All of the Company’s financial instruments are considered to be Level 2 within the fair value hierarchy.
- Level 1– fair values based on unadjusted quoted prices in active markets for identical assets or liabilities;
- Level 2 – fair values based on inputs that are observable for the asset or liability, either directly or indirectly; and
- Level 3 – fair values based on inputs for the asset or liability that are not based on observable market data.

The Company’s policy for determining when a transfer occurs between levels in the fair value hierarchy is to assess the impact at the date of the event or the change in circumstances that could result in a transfer. There were no transfers between the levels during the three months ended March 31, 2025.

As at March 31, 2025, the Company classifies cash and subscription receivable as financial assets held at amortized cost and accounts payables, subscriptions in advance, and promissory notes as financial liabilities held at amortized cost. The fair value of all of the Company’s financial instruments approximates their carrying value due to their short-term nature.

The risk exposure arising from these financial instruments is summarized as follows:

(a) Credit risk

Credit risk is the risk of potential loss to the Company if the counterparty to a financial instrument fails to meet its contractual obligations. The Company's financial asset is cash.

(b) Liquidity risk

The Company’s approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. The Company’s ability to continue to meet its liabilities when due, beyond the current cash balance, is dependent on future support of shareholders through public or private equity offerings. As of March 31, 2025, the Company’s liabilities comprise of accounts payable, accrued liabilities, subscription in advance, and promissory notes. The liabilities are due less than a year from March 31, 2025.

(c) Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Company’s income or value of its holdings or financial instruments. The Company has minimal market risks facing it at present.

11. Capital management

In the management of capital, the Company includes the components of shareholders' deficiency. The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to pursue the development of its mineral projects for the benefit of its stakeholders. As the Company is in the exploration stage, it has no income from operations, and its principal source of funds is from the issuance of its common shares.

The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may attempt to issue new shares, enter into joint venture arrangements, or dispose of assets.

The Company's investment practice is to invest its excess cash in highly liquid short-term interest-bearing investments selected with regards to expected timing of its expenditures. The Company is not subject to any externally imposed capital requirements.

12. Subsequent Event

On May 5, 2025, the Company entered into a binding subscription agreement with an investor to purchase approximately $1.2 million in common shares of the Company and expects to complete an issuance of 226,359 common shares at a price of $5.46 per common share imminently.

On May 16, 2025, the Company entered into an Amended and Restated Share Purchase Agreement (the "Amended Share Purchase Agreement") with the Seller in respect of a share purchase agreement dated October 7, 2024 between the Company and the Seller, which provides for the acquisition of the Project for up to US$29.5 million consideration. Pursuant to the Amended Share Purchase Agreement, among other things, the consideration for the Acquisition has been amended such that the consideration will now consist of: (i) Minimum upfront consideration of US$4 million (previously US$8 million), comprised of common shares in the capital of the Company, upon closing of the Transaction.; and (ii) Deferred consideration of up to: US$3.5 million in cash to be paid on certain milestones at the Project; US$10 million in cash to be paid on the date on which the Project commences commercial production; and US$12 million in cash to be paid on the first anniversary of the date on which the Project commences commercial production. The Transaction is expected to close in the second or third quarter of 2025, following required regulatory approvals and other customary closing conditions.