Hoshi Resource Corp.
Condensed Interim Financial Statements
For three and six months ended June 30, 2023 and 2022
(Expressed in Canadian Dollars)

NOTICE OF NO AUDITOR REVIEW In accordance with National Instrument 51-102 Section 4.3(3)(a) released by the Canadian Securities Administrators, the Company discloses that its auditors have not reviewed the Unaudited Condensed Interim Statements for the three and six months ended June 30, 2023, and 2022

(Expressed in Canadian Dollars)

	Notes		June 30, 2023		December 31, 2022
Assets					
Current					
Cash	3	$	**322,020**	$	331,040
Deferred financing	3		**-**		-
Prepaid expenses			**-**		-
Total Assets		$	**322,020**	$	331,040
Liabilities and Shareholders' Equity					
Current Liabilities					
Accounts payable and accruals	6	$	**1,028**	$	715
Total Liabilities		$	**1,028**	$	715
Shareholders' Equity					
Share capital	4	$	**424,496**	$	424,496
Contributed surplus	4		**80,786**		80,786
Deficit			**(184,290)**		(174,957)
Total shareholders' equity			**320,992**		330,325
Total Liabilities and Shareholders' Equity		$	**322,020**	$	331,040

Approved on behalf of the Board of Directors

" Kevin Baker"	*" John Aihoshi"*
Kevin Baker KC., CEO and Director	**Jihn Aihoshi, CFO and Director**

	Notes	Three months ended June 30, 2023	Three months ended June 30, 2022	Six months ended June 30, 2023	Six months ended June 30, 2022
Expenses					
Professional fees		$ **376**	$ -	$ **697**	10,084
General and administrative		**8,957**	2,627	**9,667**	17,583
Share-basesd compensation	*4*	**-**	-	**-**	80,786
Total expenses		$ **9,333**	$ 2,627	$ **10,364**	$ 108,453
Net and Comprehensive Loss		$ **(9,333)**	$ (2,627)	$ **(10,364)**	$ (108,453)
Net income (loss) per share - basic and diluted		$ **(0.00)**	$ (0.00)	$ **(0.00)**	$ (0.00)
Weighted average number of shares outstanding	*4*	**6,600,000**	5,953,591	**6,600,000**	6,279,452
Net of 3,600,000 shares held in escrow	*4*	**3,000,000**	2,353,591	**3,000,000**	2,679,452

Condensed Interim Statement of Changes in Shareholders' Equity

(Expressed in Canadian Dollars)

	Share Capital ($)	Contributed Surplus ($)	Deficit ($)	Shareholders' Equity ($)
As at December 31, 2021	**180,000**	**-**	**(57,840)**	**122,160**
Issuance of common shares	300,000	80,786		380,786
Share issuance costs	(55,504)	-	-	(55,504)
Net loss	-	-	(116,086)	(116,086)
As at December 31, 2022	**424,496**	**80,786**	**(173,926)**	**331,356**
Net loss	-	-	(10,364)	(10,364)
As at June 30, 2023	**424,496**	**80,786**	**(184,290)**	**320,992**

(Expressed in Canadian Dollars)

	Notes	Three months ended June 30, 2023	Three months ended June 30, 2022	Six months ended June 30, 2023	Six months ended June 30, 2022
Cash provided by (used in)					
OPERATING					
Net loss		**$ (9,333)**	$ (2,627)	**$ (10,364)**	$ (108,453)
Add (deduct) change in non-cash items:		**-**	-		
Share-bassed compensation	*4*	**-**	-	**-**	80,786
Accounts payable and accruals		**313**	(34,180)	**(8,064)**	(37,497)
Other receivables		**-**	-	**-**	25,500
Cash flow used in operating activities		**$ (9,020)**	$ (36,807)	**$ (18,428)**	$ (39,664)
FINANCING					
Financing costs paid		**$ -**	$ -	**$ -**	$ (55,504)
Proceeds from share issuance		-	-	**-**	300,000
Cash flow provided by financing activities		**$ -**	$ -	**$ -**	$ 244,496
Increase (decrease) in cash		**$ (9,020)**	$ (36,807)	**$ (18,428)**	$ 204,832
Cash, beginning of period		**331,040**	378,296	**340,448**	136,657
Cash, end of period		**$ 322,020**	$ 341,489	**$ 322,020**	$ 341,489

1. REPORTING ENTITY

Hoshi Resource Corp. (the "Company") was incorporated on March 1, 2021, by Certificate of Incorporation issued pursuant to the provisions of the Business Corporations Act (Alberta). The Company is classified as a Capital Pool Company ("CPC") as defined in Policy 2.4 of the TSX Venture Exchange (the "Exchange"). The principal business of the Company is to identify and evaluate assets or businesses with a view to potentially acquire them or an interest therein by completing a purchase transaction, by exercising of an option or by any concomitant transaction. The purpose of such an acquisition is to satisfy the related conditions of a qualifying transaction under the Exchange rules.

The head office and registered office of the Company is located at 800, 333 – 7th Ave SW, Calgary, AB, T2P 2Z1.

Where an acquisition or participation is warranted, additional funding may be required. The ability of the Company to fund its potential future operations and commitments is dependent upon the ability of the Company to obtain additional financing.

The novel coronavirus ("COVID-19") outbreak was declared a pandemic by the World Health Organization on March 11, 2020. This has resulted in significant economic uncertainty and governments worldwide are enacting emergency measures to contain the spread of the virus. These measures, which include the implementation of travel bans, self-imposed quarantine periods and social distancing, have caused material disruption to businesses globally resulting in an economic slowdown. Global financial markets have experienced significant volatility and weakness as a consequence of this economic uncertainty.

COVID-19 and the war in Ukraine have contributed to significant volatility in financial and commodity markets. These two ongoing events have impacted global commercial activity, including causing significant fluctuations in worldwide demand and prices for certain commodities. The duration and impact of the COVID-19 pandemic and the war in Ukraine and magnitude of the impact on the economy and financial effect on the Corporation is not known at this time.

2. BASIS OF PRESENTATION

Statement of compliance
These unaudited interim condensed Interim Statements ("Interim 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") in effect for the fiscal period beginning March 1, 2021.

These Interim Statements were authorized for issue in accordance with a resolution of the directors on August 29, 2023.

Basis of measurement
These Interim Statements are stated in Canadian dollars which is the Company's functional currency and were prepared on a going concern basis, under the historical cost convention except for certain financial instruments that have been measured at fair value.

3. SIGNIFICANT ACCOUNTING POLICIES

These Interim Statements have been prepared for all periods presented, following the same accounting policies and methods of computation as the audited Financial Statements for the year ended December 31, 2022.

Cash
Cash consists of the proceeds generated from share issuances which is included in bank balances that are readily convertible into cash.

Deferred financing costs
Financing costs related to proposed financings are recorded as deferred financing costs. These costs are deferred until the financing is completed at which time the costs are charged against the proceeds received. If the financing does not close, the costs are charged to operations.

(Expressed in Canadian Dollars)

Significant accounting estimates and assumptions

The key sources of estimation uncertainty that have a significant risk of causing material adjustment to the amounts recognized in the Interim Statements are:

Fair value of financial instruments

The estimated fair value of financial assets and liabilities, by their very nature, are subject to measurement uncertainty.

Taxes

Provisions for taxes are made using the best estimate of the amount expected to be paid based on a qualitative assessment of all relevant factors. The Company reviews the adequacy of these provisions at the end of the reporting period. However, it is possible that at some future date an additional liability could result from audits by taxing authorities. Where the final outcome of these tax-related matters is different from the amounts that were initially recorded, such differences will affect the tax provisions in the period in which such determination is made.

Functional Currency

The determination of an entity's functional currency is a key judgment based on the primary economic environment in which each entity of the Company operates. In determining the functional currency, management considers the currency that most faithfully represents the economic effects of events, conditions, future direction and investment opportunities.

Share-based compensation

In determining share-based compensation expense, the Company uses the Black-Scholes option pricing model, which requires a number of assumptions to be made, including the risk-free interest rate, volatility, dividend yield, forfeiture rate and expected option life.

Financial instruments

The Company is required to classify its various financial instruments into certain categories for the financial instruments' initial and subsequent measurements. This classification is based on management's judgement as to the purpose of the instrument and to which category is most applicable.

4. SHARE CAPITAL

Authorized:
Unlimited number of common shares and preferred shares which are issuable in series.

	Number of Shares	- $ Cdn -
Issued at incorporation:	-	-
Issued at $0.05 per share	3,600,000	180,000
As at December 31, 2021	3,600,000	180,000
Issued at $0.10 per share	3,000,000	300,000
Share issuance costs	-	(55,504)
At December 31, 2022 & June 30, 2023	6,600,000	424,496

Escrow
The 3,600,000 common shares issued at $0.05 per share are held in escrow until completion of a Qualifying Transaction. 25% of these common shares will be released on the issuance of the Final Exchange Bulletin and an additional 25% will be released on each 6-month anniversary from the initial release. These common shares, which are considered contingently issuable until the Company completes a Qualifying Transaction, are not considered to be outstanding for the purpose of the loss per share calculation.

Share Issuance
On February 8, 2022, the Company completed its initial public offering and raised gross proceeds of $300,000 pursuant to an amended and restated final prospectus dated November 13, 2021. A total of 3,000,000 common shares in the capital of the Company were subscribed for at a price of $0.10 per common share. PI Financial

(Expressed in Canadian Dollars)

Corp. (the "Agent") acted as the agent for the Offering. The Agent received a cash commission equal to 10% of the gross proceeds of the Offering, a corporate finance fee and non-transferable options to purchase up to 300,000 common shares of the Company at a price of $0.10 per common share (the "Agent's Option") for a period of two years from the date that the common shares are first listed on the TSX Venture Exchange (the "TSXV").

The Company now has 6,600,000 common shares issued and outstanding, with the directors, officers and seed shareholders of the Company, holding 3,600,000 common shares in aggregate which are all subject to escrow restrictions.

Share-based payments

The Company has adopted an incentive stock option plan (the "Plan") which provides that the Board of Directors of the Company may from time to time, in its discretion, and in accordance with the Exchange requirements, grant to directors, officers and technical consultants to the Company and Eligible Charitable Organizations, non-transferable options to purchase common shares ("Options"), provided that the number of common shares reserved for issuance will not exceed 10% of the issued and outstanding common shares as at the date of grant of any such option, and that the exercise period does not exceed 10 years from the date of grant.

The number of common shares issuable to any individual director or officer will not exceed 5% of the issued and outstanding common shares of the Company as at the date of grant of such option. The number of common shares issuable at any given time to all technical consultants in aggregate will not exceed 2% of the issued and outstanding common shares of the Company as at the date of grant of such option.

On February 8, 2022, in addition to the 300,000 Agent options, the Company issued to its directors and officers an aggregate of 660,000 options to purchase 660,000 common shares at an exercise price of $0.10 per common share which expire on February 8, 2032.

The Black-Scholes option pricing model was used to estimate the fair value of options on the date of grant using the following assumptions:

	Expiry	Risk-free interest rate	Expected life	Expected dividend yield	Expected volatility	Forfeiture Rate
	(year)	*(%)*	*(years)*	*(%)*	*(%)*	*(%)*
Options	2032	1.81	10	0.0	120	0.0
Agent Options	2024	1.28	2	0.0	120	0.0

The fair value of the options granted of $80,786 is included in share-based compensation expense on the statement of net loss and comprehensive loss. There were no options granted during the six months ended June 30, 2023.

	(#)	Exercise price ($)
As at December 31, 2021	-	-
Issued to directors and officers	660,000	0.10
At December 31, 2022 and June 30, 2023	660,000	0.10

Agent Options	(#)	Exercise price ($)
As at December 31, 2021	-	-
Issued to agents (expires February 8, 2024)	300,000	0.10
At December 31, 2022 and June 30, 2023	300,000	0.10

5. CAPITAL MANAGEMENT

The Company's capital consists of share capital. The Company's objective for managing capital is to maintain sufficient capital to identify, evaluate and complete an acquisition or other transaction as disclosed in Note 1.

The Company sets the amount of capital in relation to risk and manages the capital structure and makes adjustments to it in light of changes to economic conditions and the risk characteristics of the underlying assets.

The Company's objectives when managing capital are:

i. to maintain a flexible capital structure, which optimizes the cost of capital at acceptable risk; and,
ii. to maintain investor, creditor and market confidence in order to sustain the future development of the business.

The Company is not subject to any externally or internally imposed capital requirements at period-end apart from the capital requirements of the Exchange.

6. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT

The Company, as part of its operations, carries financial instruments consisting of cash and accounts payable and accruals. It is management's opinion that the Company is not exposed to significant credit, interest, or currency risks arising from these financial instruments except as otherwise disclosed.

Fair value
Fair value represents the price at which a financial instrument could be exchanged in an orderly market, in an arm's length transaction between knowledgeable and willing parties who are under no compulsion to act. The Company classifies the fair value of the financial instruments according to the following hierarchy based on the amount of observable inputs used to value the instrument.

Level 1: Fair value measurements are those derived from quoted prices (unadjusted) in the active market for identical assets or liabilities.
Level 2: Fair value measurements are those derived from inputs other than quoted prices that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (derived from prices).
Level 3: Fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data.

The carrying amount of cash and account payable and accruals approximates its fair value due to the short-term maturities of these items.

Credit risk
Credit risk is the risk of loss associated with the counterparty's inability to fulfill its payment obligations. The Company believes it has no significant credit risk as its cash balance is held with a major Canadian financial institution.

Liquidity risk
Liquidity risk is the risk that the Company will not be able to meet its obligations as they come due. As at June 30, 2023, the Company has cash of $322,020 to satisfy obligations of $1,028 as they come due, as such, is not exposed to significant liquidity risk.

Market risk
Market risk is the risk of loss that results from changes in market prices, market risk is comprised of foreign currency risk, interest rate risk and other price risks.

(i) Currency risk
The Company does not have assets or liabilities in a foreign currency and therefore is not exposed to foreign currency risk.

(ii) Interest rate risk
The Company's cash balance is held in a non-interest bearing account.

(iii) Commodity risk
The Company is not exposed to commodity risk.

7. Related Party Transactions

Key management personnel consist of officers and directors of the Company. No compensation was paid to key management personnel during the current period.