Hoshi Resource Corp.
Condensed Interim Financial Statements
For the three and six months ended June 30, 2025 and 2024

NOTICE TO READER OF THE INTERIM FINANCIAL STATEMENTS

The condensed interim financial statements of Hoshi Resource Corp. comprising the accompanying condensed statement of financial position as at June 30, 2025 and the condensed statement of loss and comprehensive loss, changes in equity and cash flows for the period then ended are the responsibility of the Corporation’s management.

These financial statements have not been reviewed on behalf of the shareholders by the independent external auditors of the Corporation, MNP LLP. The condensed interim financial statements have been prepared by management and include the selection of appropriate accounting principles, judgments and estimates necessary to prepare these condensed interim financial statements in accordance with International Financial Reporting Standards.

Condensed Interim Statement of Financial Position

As at,
(Unaudited) (Expressed in Canadian Dollars)

	Notes		June 30, 2025		December 31, 2024
Assets					
Current					
Cash		**$**	**274,703**	$	298,826
Total Assets		**$**	**274,703**	$	298,826
Liabilities and Shareholders' Equity					
Current Liabilities					
Accounts payable and accruals		**$**	**7,224**	$	19,850
Total Liabilities		**$**	**7,224**	$	19,850
Shareholders' Equity					
Share capital	*4*	**$**	**406,229**	$	406,229
Contributed surplus			**80,786**		80,786
Deficit			**(219,536)**		(208,039)
Total shareholders' equity			**267,479**		278,976
Total Liabilities and Shareholders' Equity		**$**	**274,703**	$	298,826

Approved on behalf of the Board

"Al Kroontje"
Al Kroontje, Director

"Kevin Baker "
Kevin Baker, KC., Director

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

(Unaudited) (Expressed in Canadian Dollars)

	Notes	Three months ended June 30, 2025		Three months ended June 30, 2024		Six months ended June 30, 2025		Six months ended June 30, 2024
Expenses								
Professional fees		**-**	$	709	$	**623**	$	1,132
General and administrative		**2,355**		866		**10,874**		9,006
Total expenses		**2,355**	$	1,575	$	**11,497**	$	10,138
Net Loss and Comprehensive Loss		**(2,355)**	$	(1,575)	$	**(11,497)**	$	(10,138)
Net loss per share - basic and diluted		**(0.00)**	$	(0.00)	$	**(0.00)**	$	(0.00)
Weighted average number of shares outstanding	*4*	**6,600,000**		6,600,000		**6,600,000**		6,600,000
Net of 3,600,000 shares held in escrow	*4*	**3,000,000**		3,000,000		**3,000,000**		3,000,000

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

(Unaudited) (Expressed in Canadian Dollars)

	Share Capital ($)	Contributed Surplus ($)	Deficit ($)	Shareholders' Equity ($)
As at December 31, 2023	**406,229**	**80,786**	**(174,447)**	**312,568**
Net loss and comprehensive loss	-	-	(33,592)	(33,592)
As at December 31, 2024	**406,229**	**80,786**	**(208,039)**	**278,976**
Net loss and comprehensive loss	-	-	(11,497)	(11,497)
As at June 30, 2025	**406,229**	**80,786**	**(219,536)**	**267,479**

(Unaudited) (Expressed in Canadian Dollars)

	Three months ended June 30, 2025	Three months ended June 30, 2024	Six months ended June 30, 2025	Six months ended June 30, 2024
Cash provided by (used in)				
OPERATING				
Net loss	$ **(2,355)**	(1,575)	$ **(11,497)**	(10,138)
Add (deduct) change in non-cash items:				
Accounts payable and accruals	**(14,501)**	(14,301)	**(12,626)**	(8,287)
Other receivables				
Cash flows from operating activities	$ **(16,856)**	$ (15,876)	$ **(24,123)**	$ (18,425)
Increase (decrease) in cash	$ **(16,856)**	$ (15,876)	$ **(24,123)**	$ (18,425)
Cash, beginning of period	**291,559**	319,273	**298,826**	321,822
Cash, end of period	$ **274,703**	$ 303,397	$ **274,703**	$ 303,397

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

1. REPORTING ENTITY

Hoshi Resource Corp. (the "Corporation") was incorporated on March 1, 2021 by Certificate of Incorporation issued pursuant to the provisions of the *Business Corporations Act* (Alberta). The Corporation 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 Corporation is to identify and evaluate assets or businesses with a view to potentially acquiring them or an interest therein by completing a purchase transaction, by exercising of an option or by any associated transaction. The purpose of such an acquisition is to satisfy the related conditions of a qualifying transaction under the Exchange rules.

The head office is located at 700, 903 – 8th Avenue SW, Calgary, Alberta T2P 0P7 and the registered office of the Corporation 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 Corporation to fund its potential future operations and commitments is dependent upon the ability of the Corporation to obtain additional financing.

2. BASIS OF PRESENTATION

Statement of compliance
These condensed interim financial statements ("Interim Financial Statements") have been prepared in accordance with with IFRS® Accounting Standards ("IFRS"), as issued by the International Accounting Standards Board ("IASB").

These Interim Financial Statements were authorized for issue in accordance with a resolution of the directors on August 20, 2025.

Basis of measurement
These Interim Financial Statements are stated in Canadian dollars which is the Corporation'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. MATERIAL ACCOUNTING POLICIES

These condensed Interim Financial Statements have been prepared for all periods presented, following the same accounting policies and methods of computation as the financial statements for the year ended December 31, 2023.

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.

Share-based payments
The Corporation applies a fair value-based method of accounting to all share-based payments. Employee and director stock options are measured at the fair value of each tranche on the grant date and recognized over its respective vesting period. Non-employee stock options are measured based on the service provided to the reporting date and at their then-current fair values. The cost of stock options is presented as share-based compensation expense when applicable with a corresponding credit to contributed surplus. On the exercise of stock options, share capital is credited for consideration received and for fair value amounts previously credited to contributed surplus. The Corporation uses the Black-Scholes option pricing model to estimate the fair value of share-based payments.

3. MATERIAL ACCOUNTING POLICIES *(continued)*

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 Corporation 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 two 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 Corporation 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.

Financial instruments

Classification and measurement of financial instruments
The Corporation measures its financial assets and financial liabilities at fair value on initial recognition, which is typically the transaction price unless a financial instrument contains a significant financing component. Subsequent measurement is dependent on the financial instrument's classification which in the case of financial assets, is determined by the context of the Corporation's business model and the contractual cash flow characteristics of the financial asset. Financial assets are classified into two categories: (1) measured at amortized cost and (2) fair value through profit and loss ("FVTPL"). Financial liabilities are subsequently measured at amortized cost, other than financial liabilities that are measured at FVTPL or designated as FVTPL where any change in fair value resulting from an entity's own credit risk is recorded as other comprehensive income ("OCI"). The Corporation does not employ hedge accounting for its risk management contracts currently in place.

Amortized cost
The Corporation classifies its cash and accounts payable, and accruals as measured at amortized cost. The contractual cash flows received from the financial assets are solely payments of principal and interest and are held within a business model whose objective is to collect the contractual cash flows. These financial assets and financial liabilities are subsequently measured at amortized cost using the effective interest method.

Impairment of financial assets
The measurement of impairment of financial assets is based on expected credit losses. Accounts receivable that are considered collectible within one year or less are not considered to have a significant financing component and a lifetime expected credit loss ("ECL") is measured at the date of initial recognition of the receivable.

The Corporation applies the simplified approach to providing for expected credit losses prescribed by IFRS 9, which requires the use of the lifetime expected loss provision for all trade receivables. In estimating the lifetime expected loss provision, the Corporation will consider historical industry default rates as well as credit ratings of major customers. The Corporation does not currently have any financial assets subject to this approach.

4. SHARE CAPITAL

Issued:

Common shares

	Number of Shares	- $ Cdn -
As at December 31, 2023 and 2024	6,600,000	406,229
At June 30, 2025	6,600,000	406,229

Weighted average of shares outstanding

For the year ended December 31, 2024	6,600,000
For the six months ended June 30, 2025	6,600,000

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 Corporation 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 Corporation 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 Corporation (the "Common Shares") were subscribed for at a price of $0.10 per share. PI Financial 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 at a price of $0.10 per share for a period of two years from the date the Common Shares are first listed on the Exchange. The Agent non-transferable options expired on February 7, 2024.

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

Share-based payments

The Corporation has adopted an incentive stock option plan (the "Plan") which provides that the Board of Directors of the Corporation may from time to time, in its discretion, and in accordance with the Exchange requirements, grant to directors, officers and technical consultants to the Corporation and Eligible Charitable Organizations, non-transferable options to purchase Common Shares, 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 Corporation 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 Corporation as at the date of grant of such option.

On February 8, 2022, in addition to the 300,000 Agent options, the Corporation 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 share, expiring February 8, 2032. The Agent non-transferable options expired on February 7, 2024.

Options Exercisable	**(#)**	**Weighted average exercise price ($)**
As at December 31, 2023 and 2024		
Issued to directors and officers	660,000	0.10
At June 30, 2025	660,000	0.10

5. CAPITAL DISCLOSURES

The Corporation's capital consists of share capital. The Corporation'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 Corporation 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 Corporation'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 Corporation 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

The Corporation, as part of its operations, carries financial instruments consisting of cash and accounts payable and accruals. It is management's opinion that the Corporation 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 Corporation 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.

6. FINANCIAL INSTRUMENTS *(continued)*

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 Corporation believes it has no significant credit risk.

Liquidity Risk

Liquidity risk is the risk that the Corporation will not be able to meet its obligations as they come due. As at June 30, 2025, the Corporation has cash of $274,703 to satisfy obligations of $7,224 as they come due, as such, is not exposed to significant liquidity risk. Management believes that it has sufficient cash to meet its ongoing obligations and sufficient resources to be able to identity, evaluate and complete a Qualifying Transaction.

Market Risk

Market risk is the risk of loss that may arise from changes in market factors such as interest rates, foreign exchange rates, and commodity and equity prices.

i. Interest rate risk
The Corporation has cash balances and no interest-bearing debt.

ii. Foreign currency risk
The Corporation does not have assets or liabilities in foreign currency.

iii. Commodity risk
The Corporation is not exposed to commodity price risk.

7. RELATED PARTY TRANSACTIONS

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

Transactions with related parties are incurred in the normal course of business and initially measured at fair value.

8. CAPITAL MANAGEMENT

The Corporation’s capital consists of share capital. The Corporation’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 Corporation 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 Corporation'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 Corporation is not subject to any externally or internally imposed capital requirements at period-end apart from the requirements of the Exchange. There have been no changes in the Corporation's management of capital in 2025.