KP3993 RESOURCES INC.
(A CAPITAL POOL COMPANY)

Condensed Interim Financial Statements
For the three and six months ended January 31, 2022

(Expressed in Canadian Dollars - Unaudited)

KP3993 Resources Inc.
Condensed Interim Statements of Financial Position
(Unaudited - Expressed in Canadian Dollars)

	January 31, 2022	July 31, 2021
Assets		
Current assets		
Cash and cash equivalents	**$437,602**	**$ 310,342**
Sales tax receivable	**7,378**	**606**
Total Assets	**$444,980**	**$ 310,948**
Liabilities and Shareholders' Equity		
Current liabilities		
Accounts payable and accrued liabilities	**$15,854**	**$ 17,953**
Shareholders' Equity		
Share capital (Note 5)	**$ 494,451**	**$ 315,000**
Contributed surplus	**35,384**	**-**
Deficit	**(100,709)**	**(22,005)**
Total Shareholders' Equity	**$429,126**	**$292,995**
Total Liabilities and Shareholders' Equity	**$444,980**	**$ 310,948**

Nature of Operations and Ability to Continue As A Going Concern (Note 1)
Initial Public Offering (Note 5)

Approved on behalf of the board

"Terry Wong"

CEO, CFO & Director

"John Gravelle"

Director

See accompanying notes to the financial statements

KP3993 Resources Inc.
Condensed Interim Statements of Comprehensive Loss
(Unaudited - Expressed in Canadian Dollars)

Operating Expenses	Six months ended January 31, 2022	Three months ended January 31, 2022	Inception to July 31, 2021
Professional fees	$ 17,748	$ -	$ 21,458
Filing fee	33,027	9,936	505
Stock based compensation	26,141	26,141	-
Administrative fees	1,700	777	-
Bank charges	88	88	42
Net loss and comprehensive loss	**$ (78,704)**	**$ (36,942)**	**$ (22,005)**
Loss per share – basic and diluted	**$ (0.01)**	**$ (0.01)**	**$ (0.00)**
Weighted average number of common shares outstanding	**Nil**	**Nil**	**Nil**

See accompanying notes to the financial statements

KP3993 Resources Inc.
Condensed Interim Statement of Changes in Shareholders' Equity
(Unaudited - Expressed in Canadian Dollars)

	Number of Shares	Share Capital	Contributed Surplus	Deficit	Total Shareholder Equity
Balance, July 2, 2021 (Date of incorporation)	**-**	**$ -**	**$ -**	**$ -**	**$ -**
Shares issued for cash (Note 5)	6,300,000	315,000	-	-	315,022
Net loss for the period	-	-	-	(22,005)	(22,005)
Balance, July 31, 2021	**6,300,000**	**$ 315,000**	**-**	**(22,005)**	**292,995**
Shares issued for cash (Note 5)	2,500,000	250,000	-	-	250,000
Issuance cost (Cash)	-	(61,306)	-	-	(61,306)
Issuance cost (Agent Warrants)	-	(9,243)	9,243	-	-
Share based compensation	-	-	26,141	-	26,141
Net loss for the period	-	-	-	(78,704)	(78,704)
Balance, January 31, 2022	**8,800,000**	**$ 494,451**	**$ 35,384**	**$ (100,709)**	**$ 429,126**

See accompanying notes to the financial statements

KP3993 Resources Inc.
Condensed Interim Statements of Cash Flows
(Unaudited - Expressed in Canadian Dollars)

	Six months ended January 31, 2022	Inception to July 31, 2021
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net loss for the period	**$ (78,704)**	$ (22,005)
Change in non-cash working capital:		
Stock based compensation	**26,141**	-
(Increase) in sales tax receivable	**(6,772)**	(606)
Increase in accounts payable	**(2,099)**	17,953
Net cash flows used in operating activities	**$ (61,434)**	$ (4,658)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from common shares issued (Note 5)	**250,000**	315,000
Cash issuance costs (Note 5)	**(61,306)**	-
Net cash flows provided by financing activities	**$ 188,694**	$315,000
(Decrease) Increase in cash and cash equivalents	**127,260**	310,342
Cash and cash equivalent, beginning of period	**310,342**	-
Cash and cash equivalent, end of period	**$ 437,602**	$ 310,342

See accompanying notes to the financial statements

1. NATURE OF OPERATIONS AND ABILITY TO CONTINUE AS A GOING CONCERN

KP3993 Resources Inc. (the "Company") was incorporated pursuant to the provisions of the Canada Business Corporations Act on July 2, 2021. The Company has applied for status as a Capital Pool Company ("CPC") as defined pursuant to Policy 2.4 of the TSX Venture Exchange ("TSX Venture"). The Company will not carry on any business other than the identification and evaluation of assets or businesses with a view to completing a Qualifying Transaction ("QT"). On January 17, 2022, the Company completed its IPO and that its shares were listed for trading on the TSXV. The head office is located at Suite 2209 - 1111 Alberni Street, Vancouver, British Columbia, Canada, V6E 4V2.

The principal business of the Company is the identification and evaluation of assets, or a business, and once identified or evaluated, to negotiate the acquisition or participation in the business (the "Qualifying Transaction"), subject to, if a non-arm's length Qualifying Transaction, receipt of majority approval of the minority shareholders and acceptance by regulatory authorities. Until the completion of a Qualifying Transaction, the Company will not carry on any other business.

As at January 31, 2022, the Company has no business operations and its only assets are cash and cash equivalents, and sales tax recoverable. The Company has not generated any revenues and has incurred losses of $100,709 since inception.

These financial statements are prepared on the basis that the Company will continue as a going concern, which assumes that the Company will be able to continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities and commitments in the normal course of operations. The continuation of the Company is depended upon the continuing financial support of shareholders and the completion of a Qualifying Transaction.

The global outbreak of COVID-19 (coronavirus) has had a significant impact on businesses through the restrictions put in place by the Canadian provincial and municipal governments regarding travel, business operations and isolation/quarantine orders. At this time, it is unknown the extent of the impact the COVID-19 outbreak may have on the Company as this will depend on future developments that are highly uncertain and that cannot be predicted with confidence. These uncertainties arise from the inability to predict the ultimate geographic spread of the disease, and the duration of the outbreak, including the duration of travel restrictions, business closures or disruptions, and quarantine/isolation measures that are currently, or may be put, in place by Canada and other countries to fight the virus.

2. SIGNIFICANT ACCOUNTING POLICIES

a) Statement of compliance

These condensed interim financial statements, including comparatives have been prepared using accounting policies consistent with International Financial Reporting Standards ("IFRS") and in accordance with International Accounting Standard ("IAS") 34 "Interim Financial Reporting". These condensed interim financial statements should be read in conjunction with the Company's audited financial statements for the year ended July 31, 2021.

The accompanying condensed interim financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board. The condensed interim financial statements have been prepared on a historical cost basis and are presented in Canadian dollars, which is also the Company's functional currency.

b) Basis of preparation

These financial statements have been prepared on a historical cost basis, except for financial instruments which are classified as fair value through profit or loss ("FVTPL"), or fair value through other comprehensive income ("FVTOCI"). In addition, these financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

2. SIGNIFICANT ACCOUNTING POLICIES (cont.)

c) Approval of the financial statements

These financial statements were approved and authorized for issue by the Board of Directors on March 30, 2022.

3. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

a) Financial instruments

The Company classifies its financial instruments in the following categories: as FVTPL, FVTOCI, financial assets at amortized cost, and financial liabilities at amortized cost. The classification depends on the purpose for which the financial asset or liabilities were acquired. Management determines the classification of financial assets and liabilities at initial recognition.

Recognition

The Company recognizes financial assets and financial liabilities on the date the Company becomes a party to a contractual provision of the instruments.

Classification

The Company classifies its financial assets and financial liabilities using the following measurement categories:

(a) Those to be measured subsequently at fair value (either through other comprehensive income (loss) or through profit or loss); and (b) Those to be measured at amortized cost.

The classification of financial assets depends on the business model for managing the financial assets and the contractual terms of the cash flows. Financial liabilities are classified as those to be measured at amortized cost unless they are designed as those to be measured subsequently at fair value through profit or loss (an irrevocable election at the time or recognition). For assets and liabilities measured at the fair value, gains and losses are either recorded in profit or loss or other comprehensive income (loss).

The Company reclassifies financial assets when and only when its business model for managing those assets changes. Financial liabilities are not reclassified.

Cash and cash equivalents are classified as FVTPL and are accounted for at fair value. Cash equivalents include highly liquid investments with original maturities of three months or less, and which are subject to an insignificant risk of change in value. Cash equivalents are held for the purpose of meeting short-term cash commitments rather than for investment or other purposes.

Accounts payable and accrued liabilities are classified as other financial liabilities and measured at amortized cost. Such financial liabilities are recognized initially at fair value less any directly attributable transaction costs. Subsequent to initial recognition, these financial liabilities are measured at amortized cost using the effective interest rate method. Interest expense is recorded in profit and loss.

Derecognition

A financial asset or, where applicable, a part of a financial asset or part of a group of similar financial assets is derecognized when:

- the contractual rights to receive cash flows from the asset have expired; or
- the Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a ‘pass-through’ arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset; or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset

3. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (cont.)

a) Financial instruments (cont.)

Fair value hierarchy

Fair value measurements of financial instruments are required to be classified using a fair value hierarchy that reflects the significance of inputs used in making the measurements. The levels of the fair value hierarchy are defined as follows:

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities.
Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
Level 3 - Inputs for assets or liabilities that are not based on observable market data.

The Company's financial instruments classified as Level 1 in the fair value hierarchy is cash and cash equivalent. The fair value of all other financial instruments which include accounts payable and accrued liabilities approximate their carrying values due to their short-term nature.

b) Share capital

Common shares are classified as equity. Transaction costs directly attributable to the issue of common shares and share options are recognized as a deduction from equity, net of any tax effects. Common shares issued for consideration other than cash, are valued based on their fair value at the date the shares are issued. The Company has adopted a residual value method with respect to the measurement of shares and warrants issued as private placement units. The residual value method first allocates value to the more easily measurable component based on fair value and then the residual value, if any, to the less easily measurable component. The Company considers the fair value of common shares issued in a private placement to be the more easily measurable component and the common shares are valued at their fair value, as determined by the closing quoted bid price on the announcement date (once a public listing has been obtained). The balance, if any, is allocated to the attached warrants. Any fair value attributed to the warrants is recorded as contributed surplus.

c) Share-based payment transactions

The Company has a stock option plan that provides for the granting of options to Officers, Directors, related company employees and consultants to acquire shares of the Company. The fair value of the options is measured on grant date and is recognized as an expense with a corresponding increase in contributed surplus as the options vest.

Options granted to employees and others providing similar services are measured on grant date at the fair value of the instruments issued. Fair value is determined using the Black-Scholes option pricing model taking into account the terms and conditions upon which the options were granted. The amount recognized as an expense is adjusted to reflect the actual number of share options that are expected to vest. Each tranche in an award with graded vesting is considered a separate grant with a different vesting date and fair value. Each grant is accounted for on that basis.

Options granted to non-employees are measured at the fair value of the goods or services received, unless that fair value cannot be estimated reliably, in which case the fair value of the equity instruments issued is used. The value of the goods or services is recorded at the earlier of the vesting date, or the date the goods or services are received.

On vesting, share-based payments are recorded as an operating expense and as contributed surplus. When options are exercised, the consideration received is recorded as share capital. In addition, the related share- based payments originally recorded as contributed surplus are transferred to share capital. When an option is cancelled, or expires, the initial recorded value is reversed from contributed surplus and charged to deficit.

3. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (cont.)

d) Income taxes

Income tax expense is comprised of current and deferred income taxes. Current income tax and deferred income tax are recognized in profit or loss, except to the extent that they relate to items recognized directly in equity or equity investments.

Current income tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred income tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred income tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date. Deferred income tax assets and liabilities are offset if there is a legally enforceable right to offset current income tax liabilities and assets, and they relate to income taxes levied by the same tax authority for the same taxable entity. A deferred income tax asset is recognized for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable income will be available against which they can be utilized. Deferred income tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related income tax benefit will be realized.

e) Earnings (loss) per share

The Company presents basic and diluted earnings (loss) per share (“EPS”) data for its common shares which excludes shares held in escrow. All escrowed shares are considered to be contingently cancelable until the Company completes a qualifying transaction and accordingly are not considered to be the weighted average number of common shares outstanding for the purposes of EPS calculations.

Basic EPS is calculated by dividing the profit or loss attributable to common shareholders of the Company by the weighted average number of common shares outstanding during the period, adjusted for own shares held. Diluted EPS is determined by dividing the profit or loss attributable to common shareholders by the weighted average number of common shares outstanding, adjusted for own shares held and for the effects of all potential dilutive common shares related to outstanding stock options and warrants issued by the Company.

f) Use of estimates and judgements

The preparation of financial statements in accordance with IFRS requires management to make estimates, judgements and assumptions that affect the measurements of assets, liabilities, revenues, expenses and certain disclosures reported in these financial statements. Actual results may vary from these estimates.

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Accounting estimates will, by definition, seldom equal the actual results. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future years affected.

Significant estimates made by management include the following:

i. Income taxes

Provisions for income and other taxes are based on management’s interpretation of taxation laws, which may differ from the interpretation by taxation authorities. Such difference may result in eventual tax payments differing from amounts accrued. Reporting amounts for deferred tax assets and liabilities are based on management’s expectation for the timing and amounts of future taxable income or loss, as well as future taxation rates. Changes to these underlying estimates may result in changes to the carrying value, if any, of deferred income tax assets and liabilities.

(Expressed in Canadian Dollars)

3. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (cont.)

f) Use of estimates and judgements (cont.)

Significant areas requiring the use of management's judgments include:

Management has applied judgements in the assessment of the Company's ability to continue as a going concern when preparing its financial statements for the period ended January 31, 2022. Management prepares the financial statements on a going concern basis unless management either intends to liquidate the entity or to cease trading or has no realistic alternative but to do so. In assessing whether the going concern assumption is appropriate, management takes into account all available information about the future, which is at least, but is not limited to, twelve months from the end of the reporting period. Please refer to note 1 for additional information.

4. NEW ACCOUNTING PRONOUNCEMENTS

The Company has not adopted any new accounting standards during the six months ended January 31, 2022.

5. SHARE CAPITAL

Authorized: Unlimited number of common shares without par value

Issued:

	Number of Shares	Amount
Balance, July 2, 2021 (date of incorporation)	-	$ -
Issued for cash on July 12, 2021(i)	2,300,000	115,000
Issued for cash on July 15, 2021(i)	4,000,000	200,000
Balance, July 31, 2021 and October 30, 2021	**6,300,000**	**$ 315,000**
Issued for cash on January 17, 2022(ii)	2,500,000	250,000
Issuance cost (cash)	-	(61,306)
Issuance cost (Agent warrants)	-	(9,243)
Balance, January 31, 2022	**8,800,000**	**$ 494,451**

(i) Escrowed Shares

On July 12, 2021 and July 15, 2021, the Company issued 6,300,000 common shares at a price of $0.05 per share for gross proceeds of $315,000 in cash to the directors and others.

These common shares are subject to escrow conditions. Under the Escrow Agreement, 25% of the escrowed common shares will be released from escrow on acceptance by the TSX-V of the Company's Qualifying Transaction and thereafter, an additional 25% every six months for eighteen months.

All common shares acquired on exercise of stock options granted to directors and officers prior to the completion of a QT, must also be deposited in escrow until the Final Exchange Bulletin is issued.

(ii) Initial Public Offering

On January 17, 2022, the Company completed its Initial Public Offering ("IPO") of 2,500,000 common shares at $0.10 per share ($250,000). The Company paid a commission of 7% of the gross proceeds to Research Capital Corp. (the "Agent"), and granted the Agent warrants to acquire 7% of the common shares issued in the IPO exercisable for a period ending 24 months from the closing of the IPO, exercisable at $0.10 per share. The Company also paid a corporate finance fee and reimbursed the Agent for legal fees and other reasonable expenses incurred pursuant to the IPO. Cash issuance costs of $61,306 were associated with these issuances and the value attributed to warrants granted to the Agent is $9,243.

5. SHARE CAPITAL (cont.)

Warrants

On January 17, 2022, the Corporation granted 175,000 warrants to the Agent, which are exercisable within two years from the closing of the IPO at an exercise price of $0.10 per share. These warrants were valued on the date of issue using the Black-Scholes option pricing model with the following assumptions: dividend yield 0%, risk-free interest rate of 1.61%, expected volatility of 100% and an expected life of 2 years. The value attributed to these options was $9,243.

Stock options

On January 17, 2022, the Corporation granted 350,000 options to its directors and officers, which are exercisable within five years from the date of grant at an exercise price of $0.10 per share. These options were valued on the date of issue using the Black-Scholes option pricing model with the following assumptions: dividend yield 0%, risk-free interest rate of 1.61%, expected volatility of 100% and an expected life of five years. The value attributed to these options was $26,141.

Any shares issued upon exercise of the options prior to the Corporation's completion of a QT will be subject to escrow restrictions

6. RELATED PARTY TRANSACTIONS

Key management personnel include persons having the authority and responsibility for planning, directing and controlling the activities of the Company as a whole. The Company has determined that key management personnel consist of executive and non-executive members of the Board of Directors and corporate officers.

On July 12, 2021, the Company issued 2,100,000 common shares to key management at a price of $0.05 per common share for a total gross proceed of $105,000.

7. CAPITAL MANAGEMENT

The Company's policy is to maintain a strong capital base so as to maintain investor and creditor confidence and to sustain future development of the business. The capital structure of the Company consists of equity, comprising share capital, net of accumulated deficit. The Company manages its capital structure through the preparation of operating budgets, which are approved by the Board of Directors. There were no changes in the Company's approach to capital management during the period. The Company is not subject to any externally imposed capital requirements.

8. FINANCIAL INSTRUMENTS - RISK

The Company's financial instruments can be exposed to certain financial risks, including credit risk and liquidity risk.

(a) Credit risk

The Company is exposed to credit risk by holding cash and cash equivalents, which are all held in financial institutions in Canada, and management believes the exposure to credit risk with respect to such institutions is not significant. The Company has minimal receivable exposure as its refundable credits are due from the Canadian Government.

(b) Liquidity risk

Liquidity risk is the risk that the Company is unable to meet its financial obligations as they come due. The Company manages this risk by careful management of its working capital to ensure its expenditures will not exceed available resources.