

KP3993 RESOURCES INC.
(A CAPITAL POOL COMPANY)

Condensed Interim Financial Statements
For the three and nine months ended April 30, 2024

(Expressed in Canadian Dollars - Unaudited)

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

As at	April 30, 2024	July 31, 2023
Assets		
Current assets		
Cash and cash equivalents	\$271,151	\$342,548
Sales tax receivable	-	-
Total Assets	\$271,151	\$342,548
Liabilities and Shareholders' Equity		
Current liabilities		
Accounts payable and accrued liabilities	\$9,069	\$38,331
Shareholders' Equity		
Share capital (Note 5)	\$479,789	\$479,789
Contributed surplus	35,384	35,384
Deficit	(253,091)	(210,956)
Total Shareholders' Equity	\$262,082	\$304,217
Total Liabilities and Shareholders' Equity	\$271,151	\$342,548

Nature of Operations and Ability to Continue As A Going Concern (Note 1)

Approved on behalf of the board

"Joe (Kin Foon) Tai"

CEO, CFO & Director

"John Gravelle"

Director

See accompanying notes to the financial statements

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

	Three months ended April 30, 2024	Three months ended April 30, 2023	Nine months ended April 30, 2024	Nine months ended April 30, 2023
Revenue				
Interest income	\$329	\$ -	\$329	\$ -
Operating Expenses				
Professional fees	\$12,895	\$19,030	\$31,171	\$37,884
Filing fee	6,510	498	10,363	4,478
Administrative fees	658	549	658	1,389
Bank charges	69	82	272	259
Net loss and comprehensive loss for the period	\$(19,803)	\$(20,159)	\$(42,135)	\$(44,010)
Loss per share – basic and diluted	\$(0.00)	\$(0.00)	\$(0.00)	\$(0.01)
Weighted average number of common shares outstanding – basic and diluted	8,800,000	8,800,000	8,800,000	8,800,000

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	-	-	315,000
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)	-	(75,968)	-	-	(75,968)
Issuance cost (Agent Warrants)	-	(9,243)	9,243	-	-
Share based compensation	-	-	26,141	-	26,141
Net loss for the year	-	-	-	(96,446)	(96,446)
Balance, July 31, 2022	8,800,000	479,789	35,384	(118,451)	396,722
Net loss for the period	-	-	-	(92,505)	(92,505)
Balance, July 31, 2023	8,800,000	479,789	35,384	(210,956)	304,217
Net loss for the period	-	-	-	(42,135)	(42,135)
Balance, April 30, 2024	8,800,000	\$479,789	\$35,384	\$(253,091)	\$262,082

See accompanying notes to the financial statements

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

	Nine months ended April 30, 2024	Nine months ended April 30, 2023
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net loss for the period	\$(42,135)	\$(44,010)
Change in non-cash working capital:		
Stock based compensation	-	-
(Increase) in sales tax receivable	-	(2,849)
Increase (Decrease) in accounts payable and accrued liabilities	(29,262)	(13,002)
Net cash flows used in operating activities	\$(71,397)	\$(59,861)
(Decrease) Increase in cash and cash equivalents	(71,397)	(59,861)
Cash and cash equivalent, beginning of period	342,548	405,332
Cash and cash equivalent, end of period	\$271,151	\$345,471

See accompanying notes to the financial statements

KP3993 Resources Inc.

Notes to the Condensed Interim Financial Statements

April 30, 2024

(Expressed in Canadian Dollars)

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 April 30, 2024, the Company has no business operations and its only assets are cash and cash equivalents. The Company has incurred losses of \$253,091 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.

2. SIGNIFICANT ACCOUNTING POLICIES**a) Statement of compliance**

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

All amounts on the financial statements are presented in Canadian dollars which is the functional currency of the Company.

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.

KP3993 Resources Inc.

Notes to the Condensed Interim Financial Statements

April 30, 2024

(Expressed in Canadian Dollars)

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 June 27, 2024.

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 of 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 and cash equivalents comprise of cash on hand, demand deposits and 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

KP3993 Resources Inc.

Notes to the Condensed Interim Financial Statements

April 30, 2024

(Expressed in Canadian Dollars)

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.

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Notes to the Condensed Interim Financial Statements

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(Expressed in Canadian Dollars)

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.

KP3993 Resources Inc.

Notes to the Condensed Interim Financial Statements

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(Expressed in Canadian Dollars)

3. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (cont.)**f) Use of estimates and judgements (cont.)****ii. Valuation of options and warrants**

Management uses the Black-Scholes option pricing model to determine the fair value of options and warrants issued. This model requires assumptions of the expected future volatility of the Company's common shares, expected life of options and warrants, future risk-free interest rates and the dividend yield of the Company's common shares.

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 April 30, 2024. 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

Certain pronouncements were issued by the IASB or the IFRIC that are mandatory for accounting periods commencing on or after August 1, 2023. All future accounting changes are either not applicable or do not have a significant impact to the Company and have been excluded.

5. SHARE CAPITAL

Authorized: Unlimited number of common shares without par value

Issued:

	Number of Shares	Amount
Balance, July 31, 2021	6,300,000	315,000
Issued for cash on January 17, 2022 (i)	2,500,000	250,000
Issuance cost (cash)	-	(75,968)
Issuance cost (Agent warrants)	-	(9,243)
Balance, April 30, 2024, July 31, 2023 and 2022	8,800,000	\$ 479,789

(i) 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 for total cash proceeds of \$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 at \$0.10 per share for a period ending 24 months from the closing of the IPO. The Company also paid a corporate finance fee and reimbursed the Agent for legal fees and other reasonable expenses incurred pursuant to the IPO. Total cash issuance costs of \$75,968 were associated with these issuances and the value attributed to warrants granted to the Agent is \$9,243 (also see Note 5(ii)).

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Notes to the Condensed Interim Financial Statements

April 30, 2024

(Expressed in Canadian Dollars)

5. SHARE CAPITAL (cont.)**(ii) 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 fair value attributed to these warrants is \$0.05 per warrant for a total of \$9,243. On January 17, 2024, these agent's warrants to acquire 175,000 common shares at \$0.10 per share expired unexercised.

(iii) Stock options

The Company approved a share option plan (the "option plan") whereby a maximum of 10% of common shares issued and outstanding is reserved for the issuance of non-transferable options to directors, officers, employees and consultants. This option plan provides that the terms and conditions of the options and the exercise price of options will be determined by the directors subject to price restrictions and other requirements imposed by the TSX Venture Exchange Inc. The period for exercising the options granted under the option plan cannot exceed a period of ten years and the exercise price must be fully paid before the issuance of shares.

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 5 years. The fair value attributed to these options is \$0.07 per option for a total of \$26,141. The weighted average remaining life in years for the options is 2.71 years. The expiry date is January 17, 2027.

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 January 17, 2022, the Corporation granted 350,000 options to its directors and officers. Please refer to note 5(iii) for additional information.

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 other than the expenditure restrictions applicable under Policy 2.4, which apply following the completion of the IPO. These expenditure restrictions limit the Company's on-going expenditures to reasonable expenditures relating to the IPO, reasonable expenses relating to a proposed Qualifying Transaction, assurance and audit fees, escrow agent and transfer agent fees, regulatory filing fees and a maximum of \$3,000 per month for other general and administrative costs.

KP3993 Resources Inc.

Notes to the Condensed Interim Financial Statements

April 30, 2024

(Expressed in Canadian Dollars)

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. Management believes the risk of loss is low.

(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. The Company has sufficient cash balance to settle current liabilities.

(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 the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return. The Company is not exposed to market risk.