GALAXY VENTURES INC.

INTERIM FINANCIAL STATEMENTS
(Expressed in Canadian Dollars)

For the Three Months Ended March 31, 2024
(Unaudited – prepared by Management)

NOTICE OF NO AUDITOR REVIEW OF CONDENSED INTERIM FINANCIAL STATEMENTS

Under National Instrument 51-102, Part 4, subsection 4.3(3(a)), if an auditor has not performed a review of the condensed interim financial statements, they must be accompanied by a notice indicating that the financial statements have not been reviewed by an auditor.

The accompanying unaudited condensed interim financial statements of the Company have been prepared by and are the responsibility of the Company's management.

The Company's independent auditor has not performed a review of these financial statements in accordance with standards established by the Canadian Institute of Chartered Accountants for a review of interim financial statements by an entity's auditor.

Vancouver, B.C.
May 6, 2024

GALAXY VENTURES INC.
CONDENSED INTERIM STATEMENTS OF FINANCIAL POSITION
(Unaudited, prepared by management and expressed in Canadian Dollars)
AS AT MARCH 31, 2024 and DECEMBER 31, 2023

		March 31, 2024		December 31, 2023
ASSETS				
Current assets				
Cash and cash equivalents	$	396,551	$	403,120
Prepaid expenses		5,699		8,219
TOTAL ASSETS	$	402,250	$	411,339
LIABILITIES and EQUITY				
Current liabilities				
Accounts payable and accrued liabilities	$	15,583	$	10,256
TOTAL LIABILITIES		15,583		10,256
EQUITY				
Share capital (Note 5)		525,315		525,315
Share-based payments reserve		71,300		71,300
Deficit		(209,948)		(195,532)
TOTAL EQUITY		386,667		401,083
TOTAL LIABILITIES and EQUITY	$	402,250	$	411,339

Nature and continuance of operations (Note 1)

Approved by the Board on May 6, 2024 and signed on behalf of the Board of Directors:

"Andrew Thomson" Director   *"Baldev Sangara"* Director

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

GALAXY VENTURES INC.
CONDENSED INTERIM STATEMENTS OF CHANGES IN EQUITY
(Unaudited, prepared by management and expressed in Canadian Dollars)

	Number of Shares		Share Capital		Share-based Payments Reserve		Deficit		Total Equity
Balance, December 31, 2022	8,100,000	$	525,315	$	71,300	$	(151,630)	$	444,985
Net loss for the period	-		-		-		(10,204)		(10,204)
Balance, March 31, 2023	8,100,000	$	525,315	$	71,300	$	(161,834)	$	434,781
Balance, December 31, 2023	8,100,000	$	525,315	$	71,300	$	(195,532)	$	401,083
Net loss for the period	-		-		-		(14,416)		(14,416)
Balance, March 31, 2024	8,100,000	$	525,315	$	71,300	$	(209,948)	$	821,448

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

GALAXY VENTURES INC.
CONDENSED INTERIM STATEMENTS OF COMPREHENSIVE LOSS
(Unaudited, prepared by management and expressed in Canadian Dollars)

	For the Three Months Ended March 31,			
		2024		**2023**
EXPENSES				
Administration and office expenses (Note 6)	$	3,298	$	3,269
Professional fees		5,266		-
Transfer agent and filing fees		11,423		7,194
Travel and business development		-		1,081
		(19,987)		(11,544)
OTHER ITEM				
Interest income		5,571		1,340
Net Loss and Comprehensive Loss for the Period	$	(14,416)	$	(10,204)
Basic and Diluted Loss Per Share	$	(0.00)	$	(0.00)
Weighted Average Number Of Shares Outstanding, Basic and Diluted		4,580,000		4,580,000

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

GALAXY VENTURES INC.

CONDENSED INTERIM STATEMENTS OF CASH FLOWS

(Unaudited, prepared by management and expressed in Canadian Dollars)

	For the Three Months Ended March 31, 2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES		
Net loss for the period	$ (14,416)	$ (10,204)
Changes in non-cash working capital items:		
(Increase) decrease in prepaid expenses	2,520	(8,150)
Increase in accounts payable and accrued liabilities	5,327	254
Cash used in operating activities	(6,569)	(18,100)
Decrease in cash and cash equivalents during the period	(6,569)	(18,100)
Cash and cash equivalents, beginning of the period	403,120	114,985
Cash and cash equivalents, end of the period	$ 396,551	$ 96,885
Breakdown of cash and cash equivalents		
Cash	$ 9,122	$ 57,014
Cash equivalents (Cashable GIC)	387,429	401,160
	$ 396,551	$ 458,174

During the three months ended March 31, 2024 and the three months ended March 31, 2023, there were no significant non-cash financing transactions.

During the three months ended March 31, 2024 and 2023, there was no cash paid for interest and income tax.

In the three months ended March 31, 2024, $149 (2023 - $nil) interest was received.

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

1. NATURE AND CONTINUANCE OF OPERATIONS

On October 21, 2021, Galaxy Ventures Inc. ("Galaxy" or the "Company") was incorporated under the laws of the Province of British Columbia and is classified as a Capital Pool Company ("CPC") as defined in the TSX Venture Exchange ("TSX-V") Policy 2.4. As a Capital Pool Company, the principal business of the Company is the identification and evaluation of assets or a business and once identified or evaluated, to negotiate an acquisition of or participation in a business (the "Qualifying Transaction" or "QT") subject to receipt of shareholder approval, if required, and acceptance by regulatory authorities. 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. On November 10, 2022, the Company completed its initial public offering and its shares commenced trading on the TSX-V under the symbol GXY.P.

The Company's head office address is Suite 803 – 1887 Crowe Street, Vancouver, BC V5Y 0B4. The registered and records office address is 1000 Cathedral Place, 925 West Georgia Street, Vancouver, British Columbia V6C 3L2.

The financial statements of the Company are presented in Canadian dollars, which is the functional and presentation currency of the Company.

<u>Going concern of operations</u>

These financial statements have been prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board ("IFRS") with the assumption that the Company will be able to realize its assets and discharge its liabilities in the normal course of business rather than through a process of forced liquidation. The financial statements do not include adjustments to amounts and classifications of assets and liabilities that might be necessary should the Company be unable to continue operations. As of March 31, 2024, the Company has not generated any revenues and has incurred losses of $209,948 since inception. The Company's continued existence and plans for future growth depend on its ability to obtain additional capital.

The above material uncertainties raise significant doubt about the Company's ability to continue as a going concern. Although these financial statements have been prepared on a going concern basis, the Company's continuing operations are dependent upon its ability to obtain adequate financing through debt or equity issuance.

The Company's business may be affected by changes in political and market conditions, such as interest rates, availability of credit, inflation rates, changes in laws, and national and international circumstances. Recent geopolitical events and potential economic global challenges such as the risk of higher inflation and energy crises, may create further uncertainty and risk with respect to the prospects of the Company's business.

1. NATURE AND CONTINUANCE OF OPERATIONS (cont'd…)

Restrictions on Use of Proceeds

Until the Completion of the Qualifying Transaction and except as otherwise specifically provided by the CPC Policy and described in "*Prohibited Payments to Non-Arm's Length Parties*" and "*Finder's Fees*", the gross proceeds realized from the sale of all securities issued by the Company will be used by the Company only to identify and evaluate assets or businesses and obtain shareholder approval, if applicable, for a proposed Qualifying Transaction, including expenses such as:

(a) reasonable expenses relating to the Company's IPO, including:
   (i) fees for legal services and audit services relating to the preparation and filing of this prospectus;
   (ii) Agent's fees, costs and commissions; and
   (iii) printing costs, including printing of this prospectus and share certificates;

(b) reasonable general and administrative expenses of the Company (not exceeding in aggregate $3,000 per month), including:
   (i) office supplies, office rent and related utilities;
   (ii) equipment leases;
   (iii) fees for legal services; and
   (iv) fees for accounting and advisory services;

(c) reasonable expenses relating to a proposed Qualifying Transaction, including:
   (i) valuations or appraisals;
   (ii) business plans;
   (iii) feasibility studies and technical assessments;
   (iv) sponsorship reports;
   (v) Geological Reports;
   (vi) financial statements;
   (vii) fees for legal services; and
   (viii) fees for accounting, assurance and audit services;

(d) agents' and finders' fees, costs and commissions;

(e) assurance and audit fees of the Company;

(f) escrow agent and transfer agent fees of the Company; and

(g) regulatory filing fees of the Company.

In addition, a maximum aggregate amount of $25,000 may be advanced as a non-refundable deposit or unsecured loan to a Target Company or Vendor(s), as the case may be, without the prior acceptance of the TSX-V. Any proposed deposit, advance or loan of funds from the Company to the Target Company or a Vendor(s) in excess of such $25,000 maximum aggregate may only be made as a secured loan with the prior acceptance of the TSX-V where all of the following conditions are satisfied:

(a) the Qualifying Transaction is not a Non-Arm's Length Qualifying Transaction;

(b) the Qualifying Transaction has been announced in a comprehensive news release;

1. NATURE AND CONTINUANCE OF OPERATIONS (cont'd…)

Restrictions on Use of Proceeds (cont'd…)

(c) due diligence with respect to the Qualifying Transaction is well underway;

(d) if applicable, a Sponsor has been engaged or the sponsorship requirement has been waived;

(e) the loan has been announced in a new release at least 15 days prior to the date of any such loan; and

(f) the total amount of all deposits, advances and loans from the Company does not exceed a maximum of $250,000 in aggregate unless the aggregate amount advanced from the Company to the Target Company or the Vendor(s) does not represent more than 20% of the working capital of the Company.

2. BASIS OF PREPARATION

These condensed interim financial statements of the Company for the three months ended March 31, 2024 have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). These condensed interim financial statements have been prepared in accordance with International Accounting Standard 34, "Interim Financial Reporting" ("IAS 34").

These condensed interim financial statements follow the same accounting principles and methods of application as the annual financial statements for the year ended December 31, 2023, but may condense or omit certain disclosures that otherwise would be present in the annual financial statements prepared in accordance with IFRS. These financial statements should therefore be read in conjunction with the annual financial statements for the year ended December 31, 2023. Results for the period ended March 31, 2024, are not necessarily indicative of future results.

3. MATERIAL ACCOUNTING POLICIES

Cash and cash equivalents

Cash includes deposits and short-term highly liquid interest-bearing investments that are readily convertible into cash or has a remaining term to maturity of 90 days or less when acquired.

Share-based payments

The Company grants stock options to acquire common shares of the Company to directors, officers, employees and consultants. An individual is classified as an employee when the individual is an employee for legal or tax purposes, or provides services similar to those performed by an employee.

The fair value of stock options is measured on the date of grant, using the Black-Scholes option pricing model, and is expensed over the vesting terms with a corresponding credit to share-based payments reserve. Consideration paid for the shares on the exercise of stock options together with the corresponding amounts recorded in share-based payments reserve are credited to capital stock. When vested options are forfeited or are not exercised at the expiry date the amount previously recognized in share-based payments reserve is transferred to deficit. The Company estimates a forfeiture rate and adjusts the corresponding expense each period based on an updated forfeiture estimate.

3. MATERIAL ACCOUNTING POLICIES (cont'd…)

Share-based payments (cont'd…)

In situations where equity instruments are issued to non-employees and some or all of the goods or services received by the Company as consideration cannot be specifically identified, they are measured at the fair value of the share-based payment. Otherwise, share-based payments to non-employees are measured at the fair value of goods or services received.

Warrants

The Company accounts for warrants including warrants issued to brokers in connection with the issuance of shares ("broker warrants") using the fair value method. Under this method, the fair value of broker warrants is first determined based on the value of goods or services received. In situations where some or all of the goods or services received by the Company as consideration cannot be specifically identified, the fair value of broker warrants is then determined using the Black-Scholes valuation model.

The Company has adopted a residual method with respect to the measurement of shares and warrants issued as private placement units. The residual 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.

Upon exercise of the warrants, consideration paid together with the amount previously recognized in reserves surplus is recorded as an increase to share capital. Upon forfeiture or expiry of the warrants, the amount previously recognized in reserves is transferred to deficit.

Income taxes

Income tax is recognized in profit or loss except to the extent that it relates to items recognized directly in equity, in which case it is recognized in equity. Current tax expense is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at period end, adjusted for amendments to tax payable with regards to previous years.

Deferred tax is recorded using the liability method, providing for temporary differences, between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The following temporary differences are not provided for: goodwill not deductible for tax purposes; the initial recognition of assets or liabilities that affect neither accounting or taxable loss; and differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the reporting date.

A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized.

Additional income taxes that arise from the distribution of dividends are recognized at the same time as the liability to pay the related dividend. Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

3. MATERIAL ACCOUNTING POLICIES (cont'd…)

Loss per share

The Company presents basic loss per share for its common shares, calculated by dividing the loss attributable to common shareholders of the Company by the weighted average number of common shares outstanding during the period. Diluted loss per share does not adjust the loss attributable to common shareholders or the weighted average number of common shares outstanding when the effect is anti-dilutive. The Class A common shares held in escrow have been excluded from the loss per share calculations as they are contingently issuable until all necessary conditions for the QT are satisfied.

Financial instruments

The following is the Company's accounting policy for financial instruments under IFRS 9:

(i) Classification

The Company classifies its financial instruments in the following categories: at fair value through profit or 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 following table shows the classification under IFRS 9:

Financial assets/liabilities	Classification IFRS 9
Cash	FVTPL
Accounts payable and accrued liabilities	Amortized cost

(ii) Measurement

Financial assets and liabilities at amortized cost

Financial assets and liabilities 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 assets and liabilities at FVTPL

Financial assets and liabilities carried at FVTPL are initially recorded at fair value and transaction costs are expensed in profit or loss. Realized and unrealized gains and losses arising from changes in the fair value of the financial assets and liabilities held at FVTPL are included in profit or loss in the period in which they arise.

3. MATERIAL ACCOUNTING POLICIES (cont'd…)

Financial instruments (cont'd…)

(iii) Impairment of financial assets at amortized cost

The Company recognizes a loss allowance for expected credit losses on financial assets that are measured at amortized cost. At each reporting date, the Company measures the loss allowance for the financial asset at an amount equal to the lifetime expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition. If at the reporting date, the financial asset has not increased significantly since initial recognition, the Company measures the loss allowance for the financial asset at an amount equal to the twelve month expected credit losses. The Company shall recognize in profit or loss, as an impairment gain or loss, the amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognized.

(iv) Derecognition

Financial assets

The Company derecognizes financial assets only when the contractual rights to cash flows from the financial assets expire, or when it transfers the financial assets and substantially all of the associated risks and rewards of ownership to another entity. Gains and losses on derecognition are generally recognized in profit or loss.

Accounting standard issued but not yet effective

Certain new standards, interpretations and amendments to existing standards have been issued by the IASB or IFRIC that are mandatory for accounting periods noted below. Some updates that are not applicable or are not consequential to the Company may have been excluded from the list below.

<u>IAS 1 Presentation of Financial Statements</u>

IAS 1 has been amended to clarify classification of liabilities as current or non-current. The amendments are effective for the years beginning on or after January 1, 2024. The amendment is expected to have no impact on the Company.

Accounting standards adopted in the current year

<u>Amendments to IAS 1 and IFRS Practice Statement 2 – Disclosure of Accounting Policies</u>

These amendments continue the IASB's clarifications on applying the concept of materiality. These amendments help companies provide useful accounting policy disclosures, and they include: requiring companies to disclose their material accounting policies instead of their significant accounting policies; clarifying that accounting policies related to immaterial transactions, other events or conditions are themselves immaterial and do not need to be disclosed; and clarifying that not all accounting policies that relate to material transactions, other events or conditions are themselves material. The IASB also amended IFRS Practice Statement 2 to include guidance and examples on applying materiality to accounting policy disclosures. The adoption of these amendments had minimal impact on the disclosures in these financial statements.

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The Company makes estimates and assumptions about the future that affect the reported amounts of assets and liabilities. Estimates and judgments are continually evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. In the future, actual experience may differ from these estimates and assumptions.

The effect of a change in an accounting estimate is recognized prospectively by including it in comprehensive income (loss) in the year of the change, if the change affects that year only, or in the year of the change and future years, if the change affects both.

Critical judgments in applying accounting policies

Information about critical judgments in applying accounting policies that have the most significant risk of causing material adjustment to the carrying amounts of assets and liabilities recognized in the financial statements within the next fiscal year include the assessment of material uncertainty which raises significant doubt about the Company's ability to continue as a going concern.

5. SHARE CAPITAL

a) Authorized share capital

As at March 31, 2024, the authorized share capital of the Company is an unlimited number of Class A common shares without par value and an unlimited number of Class B preferred shares without par value.

b) Issued share capital

No shares were issued during the three months ended March 31, 2024 nor during the year ended December 31, 2023.

c) Escrow shares

At March 31, 2024, there are 3,520,000 (December 31, 2023: 3,520,000) common shares held in escrow. Under the escrow agreement dated November 4, 2022, 25% of the escrowed common shares will be released from escrow upon issuance of notice of final acceptance of a qualifying transaction by the TSXV and the remainder in three equal tranches of 25% every six months thereafter for a period of 18 months, subject to certain conditions of the TSXV that could accelerate the release from escrow. These escrow shares may not be transferred, assigned or otherwise traded without the consent of the regulatory authorities.

d) Stock options

The Company's stock option plan is a 10% rolling plan such that common shares reserved for issuance will not exceed 10% of the common shares of the Company issued and outstanding as at the date of grant of any CPC stock option, and that the exercise period does not exceed 10 years from the date of grant. Pricing of the stock options is subject to the minimum requirements of the TSX-V.

There was no stock option activity during the three months ended March 31, 2024 nor during the year ended December 31, 2023.

(Unaudited, prepared by management and expressed in Canadian Dollars)

5. SHARE CAPITAL (cont'd…)

d) Stock options (cont'd…)

Stock option transactions and the number of stock options outstanding are summarized as follows:

	Number	Weighted Average Exercise Price	Weighted Average Remaining Life in Years
Balance, at December 31, 2022	625,000	$ 0.10	9.87
Balance, at December 31, 2023	625,000	$ 0.10	8.87
Balance, at March 31, 2024	625,000	$ 0.10	8.62

At March 31, 2024, the Company had the following incentive stock options outstanding and exercisable entitling the holders thereof to acquire the following common shares in the Company:

Number	Exercise Price	Expiry Date
625,000	$0.10	November 10, 2032

These stock options and any shares issued upon exercise of these stock options are held in escrow and will be released upon completion of a QT.

e) Agents' warrants

There was no agents' warrants activity during the three months ended March 31, 2024 nor during the year ended December 31, 2023.

Agents' warrants transactions and the number of agents' warrants outstanding are summarized as follows:

	Number	Weighted Average Exercise Price	Weighted Average Remaining Life in Years
Balance, at December 31, 2022	500,000	$ 0.10	2.36
Balance, at December 31, 2023	500,000	$ 0.10	1.36
Balance, at March 31, 2024	500,000	$ 0.10	1.11

Agents' warrants outstanding at March 31, 2024 are as follows:

Number	Exercise Price	Expiry Date
500,000	$0.10	May 10, 2025

6. RELATED PARTY TRANSACTIONS

During the three months ended March 31, 2024, the Company paid or accrued administration fees of $3,000 plus GST (2023 - $3,000 plus GST) to a private entity controlled by the Chief Financial Officer of the Company.

7. FINANCIAL INSTRUMENTS

Fair value

The carrying value of accounts payable and accrued liabilities approximate their fair value because of the short-term nature of these instruments.

Financial risk factors

The Company's risk exposures and the impact on the Company's financial statements are summarized below:

Credit risk

Financial instruments that potentially subject the Company to a significant concentration of credit risk consist primarily of cash. The Company plans to limit its exposure to credit loss by placing its cash with major financial institutions.

Liquidity risk

Liquidity risk is the risk that the Company is not able to meet its financial obligations as they fall due. As at March 31, 2024, the Company's working capital is $386,667. The Company will have to seek additional financing through equity offerings, but there can be no assurance that such financing will be available on terms acceptable to the Company or at all. Any equity offering will result in dilution to the ownership interests of the Company's shareholders and may result in dilution to the value of such interests. The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. As at March 31, 2024, the Company had cash of $396,551 and total liabilities of $15,583.

Contractual undiscounted cash flow requirements for financial liabilities as at March 31, 2024 are as follows:

i. Accounts payable and accrued liabilities are due within 90 days.

Foreign currency risk

The Company is not exposed to foreign currency risk on fluctuations related to cash, and accounts payable and accrued liabilities that are denominated in a foreign currency. As at March 31, 2024, the Company did not have any accounts in foreign currencies and considers foreign currency risk insignificant.

8. CAPITAL MANAGEMENT

Capital is comprised of the Company's shareholders' equity. The Company manages its capital structure to maximize its financial flexibility making adjustments to it in response to changes in economic conditions and the risk characteristics of the underlying assets and business opportunities. The Company does not presently utilize any quantitative measures to monitor its capital and is not exposed to externally imposed restrictions. There was no change to this policy during the three months ended March 31, 2024 or during the year ended December 31, 2023.