ANS Exploration Corp.

Consolidated Financial Statements

From incorporation to December 31, 2022

ANS EXPLORATION CORP.

Consolidated Statements of Financial Position

(Expressed in Canadian dollars)

	Notes		December 31, 2022
Assets			
Current assets:			
Cash		$	258,490
		$	258,490
Liabilities and Shareholders' Equity			
Current liabilities:			
Accounts payable and accrued liabilities		$	53,670
Shareholders' equity			
Share capital	6		593,500
Share issue costs			(15,300)
Deficit			(373,380)
			204,820
		$	258,490

Nature and continuance of operations (note 1)

Subsequent event (note 11)

The consolidated financial statements were approved for issuance by the Board of Directors by:

Director	Director

The accompanying notes form an integral part of these consolidated financial statements.

ANS EXPLORATION CORP.

Consolidated Statement of Loss and Comprehensive Loss

(Expressed in Canadian dollars)

From May 4, 2022 to December 31, 2022	Notes		
Operating expenses:			
Bank charges		$	1,235
Exploration and evaluation	5		359,545
Computer and IT			621
Professional fees			11,979
			373,380
Net loss and comprehensive loss for the year			373,380
Weighted average shares outstanding – basic and diluted			10,579,863
Basic and diluted loss per share		$	0.04

The accompanying notes form an integral part of these consolidated financial statements.

ANS EXPLORATION CORP.

Consolidated Statement of Cash Flows

(Expressed in Canadian dollars)

From May 4, 2022 to December 31, 2022		
Cash provided by (used in):		
Operating activities		
Loss for the year	$	(373,380)
Changes in non-cash working capital items:		
Accounts payable and accrued liabilities		53,670
		(319,710)
Financing activities		
Proceeds from private placements		593,500
Share issue costs paid		(15,300)
		578,200
Net change in cash in the year		258,490
Cash, beginning of year		-
Cash, end of year	$	258,490

The accompanying notes form an integral part of these consolidated financial statements.

ANS EXPLORATION CORP.

Consolidated Statements of Changes in Shareholders' Equity

(Expressed in Canadian dollars)

	Share Capital						
	Shares		Amount		Deficit		Total shareholders' equity
Balance, May 4, 2022	-		-		-		-
Shares issued in private placement	15,350,000	$	593,500	$	-	$	593,500
Share issue costs paid	-		(15,300)				(15,300)
Loss for the year	-		-		(373,380)		(373,380)
Balance, December 31, 2022	15,350,000	$	578,200		(373,380)	$	204,820

The accompanying notes form an integral part of these consolidated financial statements.

1. Nature and continuance of operations

ANS Exploration Corp. ("ANS" or "the Company") was incorporated under the Business Corporations Act of Ontario on May 4, 2022. The address of its registered head office is 333 Bay Street Suite 2400, Toronto, Ontario M5H 2T6.

The Company is in the process of exploring its resource properties in the Nubian Shield in East Africa, including Sudan, and has not determined whether these properties contain mineral reserves which are economically recoverable. The recoverability of amounts shown for exploration and evaluation expenditures is dependent upon the discovery of economically recoverable reserves, the ability of the Company to obtain necessary financing to complete the development and future profitable production from the property or proceeds from its disposition.

Going concern

These consolidated financial statements have been prepared on the basis of accounting principles applicable to going concern, which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business for the foreseeable future.

During the year ended December 31, 2022, the Company recorded a loss of $388,680. The Company expects to incur further losses in the development of its business. The Company is subject to risks and challenges impacting its operations including, but not limited to, the ability to secure adequate financing to meet expenditure requirements including maintenance costs on its exploration and evaluation assets, and to successfully satisfy its commitments and continue as a going concern. The Company is dependent on equity and debt financings to fund its operations. There is no assurance that the Company will be able to obtain adequate financing in the future or that such financing will be on terms advantageous to the Company. These circumstances comprise a material uncertainty which may cast significant doubt about the Company's ability to continue as a going concern. The consolidated financial statements for the year ended December 31, 2022 do not reflect the adjustments to the carrying values of assets and liabilities and the reported expenses and statement of financial position classifications that would be necessary should the going concern assumption be inappropriate, and such adjustments could be material.

2. Basis of preparation

(a) Statement of compliance

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and Interpretations issued by the International Financial Reporting Interpretations Committee ("IFRIC").

These consolidated financial statements were authorized for issuance by the Board of Directors on June 27, 2023.

(b) Basis of measurement

These consolidated financial statements have been prepared on a historical cost basis, except for financial instruments measured at fair values.

(c) Basis of presentation

These consolidated financial statements are presented in Canadian dollars. Items included in the consolidated financial statements of the Company are measured using the currency of the primary economic environment in which the entity operates. The functional currency of the parent company is the Canadian dollar.

2. Basis of preparation

(d) Basis of consolidation

These consolidated financial statements include the accounts of the Company and its wholly owned subsidiaries which it controls: ANS Resources Ltd. (Cayman), ANS Resources Holding Ltd. (UAE) and ANS Exploration Co. Ltd. (Sudan).

Control exists when the Company has the power, directly or indirectly, to govern the financial and operating policies of an entity so as to obtain benefits from its activities. Subsidiaries are included in the consolidated financial statements from the date control is obtained until the date control ceases. All significant intercompany transactions and balances have been eliminated.

3. Significant accounting policies

(a) Foreign currencies

Transactions in currencies other than the Company and its subsidiaries' functional currencies are recorded at the rates of exchange prevailing on the dates of the transactions. At the end of each reporting period, monetary assets and liabilities denominated in foreign currencies are re-measured at the rate of exchange at the financial position date. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in profit or loss.

On translation of the entities whose functional currency is not the Canadian dollar, expenses are translated at the exchange rate approximating those in effect on the date of the transactions. Assets and liabilities are translated at the rate of exchange at the reporting date and equity is translated at historical rates. Exchange gains and losses, including results of re-translation, are recorded as a cumulative translation adjustment in other comprehensive income.

(b) Cash and cash equivalents

Cash and cash equivalents may include cash on hand, demand deposits and short-term highly liquid investments that are readily convertible into known amounts of cash, with maturities of 90 days or less when acquired. As at December 31, 2022, the Company did not have any cash equivalents.

(c) Exploration and evaluation expenditures

Exploration and pre-extraction expenditures are expensed as incurred until such time as technical feasibility and commercial viability of the mineral properties is demonstratable, after which subsequent expenditures related to development activities for that particular project are capitalized as incurred.

The establishment of technical feasibility and commercial viability of a mineral property is assessed based on a combination of factors, such as but not limited to: the extent to which mineral reserves or mineral resources have been identified through a feasibility study or similar level document; the results of optimization studies and further technical evaluation carried out to mitigate project risks identified in the feasibility study; the status of environmental permits, and the status of mining leases or permits.

All costs relating to the construction, installation, or completion of a mine that are incurred subsequent to the exploration and evaluation stage are capitalized to mineral property. Development expenditure is net of proceeds from the sale of ore extracted during the development phase.

(d) Provision for decommissioning and restoration

The Company recognizes provisions for statutory, contractual, constructive or legal obligations associated with the reclamation of exploration and evaluation assets in the year in which it is probable that an outflow of resources will be required to settle the obligation and when a reliable estimate of the amount can be made. Initially, a provision for a decommissioning liability is recognized based on expected cash flows required to settle the obligation and discounted at a pre-tax rate specific to the liability.

3. Significant accounting policies (continued)

(f) Provision for decommissioning and restoration (continued)

The capitalized amount is depreciated on the same basis as the related asset. Following the initial recognition of the decommissioning liability, the carrying amount of the liability is increased for the passage of time and adjusted for changes to the current market-based discount rate and the amount or timing of the underlying cash flows needed to settle the obligation. The increase in the provision due to passage of time is recognized as interest expense. Significant judgments and estimates are involved in forming expectations of the amounts and timing of future closure and reclamation cash flows.

As at December 31, 2022, the Company has no known restoration, rehabilitation or environmental liabilities related to its exploration and evaluation assets.

(e) Income taxes

Current income taxes

Current income tax assets and liabilities for the current period are measured at the amount expected to be recovered from or paid to the tax authorities. The tax rates and tax laws are used to compute the amount are those that are enacted or subsequently enacted, at the reporting date, in the countries where the Company operates and generates taxable income.

Current income taxes relating to items recognized directly in other comprehensive income or equity is recognized in other comprehensive income or equity and not in profit or loss. Management periodically evaluates the positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred income taxes

Deferred income tax is provided using the asset and liability method on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

The carrying amount of deferred income tax assets is reviewed at the end of each period and recognized only to the extent that it is probable that sufficient taxable profit will be available to allow all or part of the deferred income tax assets to be utilized.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) enacted or substantively enacted at the end of each reporting period.

Deferred income tax assets and liabilities are offset, if a legally enforceable right exists to set off current tax liabilities and asset and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and asset on a net basis or their tax assets and liabilities will be realized simultaneously.

3. Significant accounting policies (continued)

(f) Share capital

The Company records proceeds from share issuances net of issue costs and any tax effects in shareholders' equity. Shares issued for consideration other than cash are valued based on their market value at the date the shares were granted. 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 the value to the more easily measurable component based on fair value and then the residual value, if any, to the less measurable component. The Company considers the fair value of common shares issued in a unit private placement to be the more easily measurable component. The balance, if any, is allocated to the attached warrants. Any fair value attributed to the warrants is recorded as reserves.

(g) Basic and diluted loss per share

The Company presents basic and diluted loss per share data for its common shares. Basic loss per share is calculated by dividing the loss attributable to common shareholders of the Company by the weighted average number of common shares outstanding during the periods presented. Diluted loss per share is computed similarly to basic loss per share except that the weighted average shares outstanding are increased to include additional shares for the assumed exercise of warrants, if dilutive. The number of additional shares is calculated by assuming that outstanding stock options and warrants were exercised and that the proceeds from such exercises were used to acquire common stock at the average market price during the reporting period. Diluted loss per share excludes all dilutive potential equity instruments if their effect is anti-dilutive.

(h) Financial instruments

Financial assets and liabilities are recognized when the Company becomes a party to the contractual provisions of the instrument. Financial assets are derecognized when the rights to receive cash flows from the assets have expired, or have been transferred, and the Company has transferred substantially all risks and rewards of ownership. A financial liability is derecognized when the obligation under the liability is discharged, cancelled, or expires.

Financial assets and liabilities are offset, and the net amount is reported on the Statement of financial position, when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis, or realize the asset and settle the liability simultaneously.

At initial recognition, all financial assets and liabilities are recorded at fair value, net of attributable transaction costs, except for financial assets and liabilities classified as fair value through profit or loss ("FVTPL"). Transaction costs of financial assets and liabilities classified as FVTPL are expensed in the period in which they are incurred. Subsequent measurement of financial assets and liabilities depends on the classifications of such assets and liabilities.

Classification of Financial Assets

Amortized cost

Financial assets that meet the following conditions are measured at amortized cost:

- The financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and

- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. The Company holds the following financial assets at amortized cost: cash, receivables and deposits.

Financial assets and liabilities carried at amortized cost are initially recognized at fair value, plus or minus transaction costs, respectively, and subsequently carried at amortized cost less any impairment.

Fair value through other comprehensive income ("FVTOCI")

Financial assets that meet the following conditions are measured at FVTOCI.

- The financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and

- The contractual terms of the financial assets give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. The Company does not have any instruments classified as financial assets at FVTOCI.

The Company does not hold any financial assets classified as FVTOCI.

FVTPL

The Company, at initial recognition, may also irrevocably designate a financial asset as measured at FVTPL if doing so eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise from measuring assets or liabilities or recognizing the gains and losses on them on different bases.
Financial assets measured at FVTPL are measured at fair value at the end of each reporting period, with any fair value gains or losses recognized in profit or loss to the extent they are not part of a designated hedging relationship.

The Company does not have any financial assets measured at fair value through profit or loss.

The estimated present value of future cash flows associated with the asset is determined and an impairment loss is recognized for the difference between this amount and the carrying amount as follows: the carrying amount of the asset is reduced to estimated present value of the future cash flows associated with the asset, discounted at the financial asset's original effective interest rate, either directly or through the use of an allowance account and the resulting loss is recognized in profit or loss for the period.

Impairment

An 'expected credit loss' impairment model applies which requires a loss allowance to be recognized based on expected credit losses. 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.

In a subsequent period, if the amount of the impairment loss related to financial assets measured at amortized cost decreases, the previously recognized impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortized cost would have been had the impairment not been recognized.

Classification of Financial Liabilities

Financial liabilities are designated as either: (i) FVTPL; or (ii) amortized cost. All financial liabilities are classified and subsequently measured at amortized cost except for financial liabilities at FVTPL. The classification determines the method by which the financial liabilities are carried on the statement of financial position subsequent to inception and how changes in value are recorded. Accounts payable and accrued liabilities are classified as other financial liabilities and carried on the statement of financial position at amortized cost. As at December 31, 2022 the Company does not have any derivative financial liabilities.

(i) Related party transactions

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Parties are also considered to be related if they are subject to common control. Related parties may be individuals or corporate entities. A transaction is considered to be a related party transaction when there is a transfer of resources or obligations between related parties.

(j) New accounting standards and interpretations issued but not yet effective

IAS 1 –Presentation of Financial Statements (“IAS 1”), has been amended to clarify how to classify debt and other liabilities as either current or non-current. The amendment to IAS 1 is effective for the years beginning on or after January 1, 2023. The Company is currently assessing the impact of this amendment.

4. Significant accounting estimates and judgments

The preparation of consolidated financial statements in accordance with IFRS requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, and disclosures of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Estimates and assumptions are continually evaluated and are based on management’s experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Actual results may differ from these estimates.

Critical accounting judgements and estimates

Judgments made in applying accounting policies that have the most significant effect on the amounts recognized in these consolidated financial statements are as follows:

Functional currency

The functional currency determinations were conducted through an analysis of the consideration factors identified in IAS 21, The Effects of Changes in Foreign Exchange Rates. The functional currency for the Company is the currency of the primary economic environment in which the entity operates. Determination of functional currency may involve certain judgments to determine the primary economic environment and the Company reconsiders the functional currency of its entities if there is a change in events and conditions which determined the primary economic environment.

(Expressed in Canadian dollars)

Title to exploration and evaluation assets

Although the Company has taken steps to verify title to mineral properties in which it has an interest, these procedures do not guarantee the Company's title or interest therein. Such properties may be subject to prior agreements or transfers and title may be affected by undetected defects.

5. Exploration and evaluation expenditures

The Company's exploration and evaluation expenditures are expensed as incurred. From incorporation to December 31, 2022, the Company incurred the following expenditures:

		December 31, 2022
Data compilation	$	104,882
Geological		44,554
Management services		139,489
Travel		68,319
Other		2,301
	$	359,545

The Company's current exploration activities are focused on the Sharareet project in Sudan.

6. Share capital

(a) Authorized

The Company is authorized to issue an unlimited number of common shares without par value. As at December 31, 2022, the Company has 15,350,000 common shares outstanding.

(b) Issued and outstanding

During the year ended December 31, 2022 the Company issued the following shares:

- The Company issued 4,350,000 common shares pursuant to a private placement equity financing. The shares were issued at $0.01 per share for gross proceeds of $43,500
- The Company issued 11,000,000 common shares pursuant to a private placement equity financing. The shares were issued at $0.05 per share for gross proceeds of $550,000.
- Share issue costs of $15,300 were paid related to the financings.

(Expressed in Canadian dollars)

7. Income taxes

The Company is subject to federal and provincial tax for the estimated assessable profit for the year ended December 31, 2022. The Company had no assessable profit for the year. The difference between tax expense for the year and the expected income taxes based on the statutory tax rates arises as follows:

			December 31, 2021
Loss for the year	$	$	(373,380)
Income tax recovery at local statutory rates			30%
Income tax recovery based on statutory rate	$	$	(112,014)
Non-deductible expenses			-
Differences between Canadian and foreign rates			-
Foreign exchange and other			-
Effect of deferred tax assets for which no tax benefits received			-
Total income taxes	$	$	-

The Company's unrecognized deferred income tax assets are as follows:

		December 31, 2022
Tax losses	$	329,406
	$	329,406

Deferred tax assets have not been recognized in respect of these items because it is not probably that future taxable profits will be available against which the Company can utilize the tax benefits. The estimated tax effect of the Company's unrecognized deferred tax assets are as follows:

		December 31, 2021
Tax losses		329,406
Unrecognized net deferred income tax assets (liabilities)	$	329,406

8. Related party transactions

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly. The Companies related parties are considered to be Directors and Officers of the Company and the companies controlled by these individuals.

During the year ended December 31, 2022, certain Directors and Officers took part in the financings described in note 5.

The Company has entered into a services contract with Incomet Advisory GmbH ("Incomet"), a Company with a common Director. The services of Incomet comprise technical services and exploration project management services for which the Company paid $199,078 during the year. Incomet also took part in the financings described in note 5.

The Company did not enter info any further transactions with related parties.

9. Financial instruments and risk management

Financial instruments

Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values. The three levels of the fair value hierarchy are as follows:

Level 1 – quoted market prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 – inputs other than quoted market prices included in Level 1 that are observable for the asset or liability, either directly, such as prices, or indirectly (derived from prices).

Level 3 – inputs are unobservable (supported by little or no market activity) such as non-corroborative indicative prices for a particular instrument provided by a third party.

The fair value hierarchy level at which a fair value measurement is categorized is determined on the basis of the lowest level input that is significant to the fair value measurement in its entirety.

As at December 31, 2022, the Company does not have any financial instruments carried at FVTPL.

Risk management

The Company's financial instruments are exposed to certain financial risks. The risk exposures and the impact on the Company's financial instruments are summarized below:

(i) Credit risk

Credit risk is the risk that may arise on outstanding financial instruments should a counter party default on its obligation. The Company's primary exposure to credit risk is in its cash accounts. The Company's cash balance is held with large, credit worthy financial institutions and as such the risk of loss is considered to be low.

(ii) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meetings its financial obligations as they fall due. The Company's financial liabilities consist of its accounts payable and accrued liabilities. The Company manages liquidity risk by maintaining sufficient cash balances and adjusting its budget, forecasts and expenditures accordingly. Liquidity requirements are managed based on expected cash flows to ensure that there is sufficient capital in order to meet short-term obligations. As at December 31, 2022 the Company had a cash balance of $258,490 as well as an undrawn shareholder loan for an amount of up to USD 400,000 provided on an unsecured basis at 8% p.a. interest rate.

(iii) Market price risk

The Company's ability to raise capital to fund exploration or development activities is subject to risks associated with fluctuations, amongst other things, in the market price of commodities, global financial

9. Financial instruments and risk management

markets and investor sentiment. The Company closely monitors commodity prices and financial markets to determine the appropriate course of action to be taken by the Company.

(i) Currency risk

Foreign currency risk is the risk that the fair value or future cash flows on an exposure will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange relates primarily to those of the Company's net assets denominated in NZD and AUD.

10. Capital management

In the management of capital, the Company includes the components of shareholders' equity. The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to pursue the development of its mineral projects for the benefits of stakeholders. As the Company is in the exploration stage, it has no income from operations, and its principal source of funds is the from issuance of common shares.

The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying asset. To maintain or adjust the capital structure, the Company may attempt to issue new shares, enter into joint arrangements, or dispose of assets. The Company is not subject to any externally imposed capital requirements

11. Segmented operations

The Company business consists of only one reportable segment, being the exploration and evaluation of mineral properties in Africa.

12. Subsequent event

Subsequent to December 31, 2022, the Company completed two private placement equity financings, issuing 5,985,000 common shares for gross proceeds of $817,500.