

COLOSSUS RESOURCES CORP.
CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE THREE MONTH PERIOD ENDED AUGUST 31, 2023
AND AUGUST 31, 2022
(UNAUDITED)

Notice of No Auditor Review of Interim Financial Statements

The accompanying unaudited financial statements have been prepared by management and approved by the Audit Committee.

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

COLOSSUS RESOURCES CORP.**CONDENSED INTERIM STATEMENTS OF FINANCIAL POSITION**(Expressed in Canadian Dollars)

	August 31, 2023 (Unaudited)	May 31, 2023 (Audited)
ASSETS		
Current		
Cash	\$ 20,536	\$ 109,853
Amounts recoverable	21,896	19,707
Prepaid and deferred costs	17,575	17,575
	60,007	147,135
Exploration and evaluation assets (Note 5)	602,645	595,797
	\$ 662,652	\$ 742,932
LIABILITIES		
Current		
Accounts payable	\$ 50,474	\$ 100,002
SHAREHOLDERS' EQUITY		
Share capital (Note 6)	1,094,978	1,094,978
Contributed surplus	417,836	417,836
Deficit	(900,636)	(869,884)
	612,178	642,930
	\$ 662,652	\$ 742,932

**NATURE OF CONTINUANCE OF
OPERATIONS (Note 1)**Approved and authorized for issue on behalf
of the board on October 23, 2023:

"Charalambos Katevatis" Director

"Vivian Katsuris" Director

COLOSSUS RESOURCES CORP**CONDENSED INTERIM STATEMENTS OF OPERATIONS AND COMPREHENSIVE LOSS**

(Expressed in Canadian Dollars)

UNAUDITED

	Three months ended August 31, <u>2023</u>	Three month ended August 31, <u>2022</u>
EXPENSES		
Advertising and promotion	\$ –	\$ 571
Consulting fees	5,000	5,000
Investor communications	4,000	–
Management fees	7,500	7,500
Office and miscellaneous	103	2,479
Professional fees	7,617	31,699
Rent	5,000	600
Stock based compensation	–	281,892
Transfer agent and filing fees	1,532	18,266
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Net loss and comprehensive loss end of period	\$ 30,752	\$ 348,007
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Loss per share (basic and diluted)	\$ (0.00)	\$ (0.03)
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Weighted average number of common share outstanding	13,583,100	11,316,578
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The accompanying notes are an integral part of these condensed interim financial statements

COLOSSUS RESOURCES CORP.**CONDENSED INTERIM STATEMENTS OF CHANGES IN EQUITY**

(Expressed in Canadian Dollars)

UNAUDITED

	Number of Shares	Amount \$	Contributed Surplus \$	Deficit \$	Total \$
Balances, May 30, 2022	10,375,100	520,001	157,500	(331,861)	345,640
Shares issued for cash	3,208,000	574,977	38,290	—	613,267
Share based payment	—	—	281,892	—	281,892
Comprehensive loss for the period	—	—	—	(348,007)	(348,007)
Balance, August 31, 2022	13,583,100	1,094,978	477,682	(679,868)	892,792
Balances, May 31, 2023	13,583,100	1,094,978	417,836	(869,884)	642,930
Comprehensive loss for the period	—	—	—	(30,752)	(30,752)
Balance, August 31, 2023	13,583,100	1,094,978	417,836	(900,636)	612,178

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

COLOSSUS RESOURCES CORP.**CONDENSED INTERIM STATEMENTS OF CASH FLOWS**

(Expressed in Canadian Dollars)

UNAUDITED

	Three months ended August 31, <u>2023</u>	Three month ended August 31, <u>2022</u>
CASH PROVIDED BY (USED IN):		
OPERATING ACTIVITIES		
Net loss for the period	\$ (30,752)	\$ (348,007)
Items not involving cash:		
Stock - based payments	–	281,892
	<u>(30,752)</u>	<u>(66,115)</u>
Changes in non-cash working capital balances:		
Other receivable	(2,189)	(7,129)
Prepaid and deferred costs	–	74,573
Accounts payable and accrued liabilities	(49,528)	65
	<u>(82,469)</u>	<u>1,394</u>
Cash used in operating activities	(82,469)	1,394
INVESTING ACTIVITY		
Mineral property acquisition and exploration costs	(6,848)	(31,370)
	<u>(6,848)</u>	<u>(31,370)</u>
Cash used in investing activity	(6,848)	(31,370)
FINANCING ACTIVITIES		
Shares issued for cash	–	613,267
	<u>–</u>	<u>613,267</u>
Cash used in by financing activity	–	613,267
INCREASE IN CASH DURING THE PERIOD	(89,317)	583,291
CASH, BEGINNING OF PERIOD	109,853	51,207
CASH, END OF PERIOD	\$ 20,536	\$ 634,498
SUPPLEMENTAL DISCLOSURES		
Interest paid	\$ –	\$ –
Income taxes paid	\$ –	\$ –
Shares issued for and evaluation and exploration costs	\$ –	\$ –

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

1. NATURE OF BUSINESS AND CONTINUING OPERATIONS

Colossus Resources Corp. (formerly Peruviangold Mining Corp.) was incorporated on September 9, 2020 under the laws of British Columbia. The address of the Company's corporate office and its principal place of business is Suite 318 – 1199 West Pender Street, Vancouver, British Columbia, Canada. On December 14, 2020, the Company changed its name to Colossus Resources Corp.

The Company's principal business activities include the acquisition and exploration of mineral property assets. As at August 31, 2023, the Company has not yet determined whether the Company's mineral property assets contain ore reserves that are economically recoverable. The recoverability of amounts shown for exploration and evaluation asset is dependent upon the discovery of economically recoverable reserves, confirmation of the Company's interest in the underlying mineral claims, the ability of the Company to obtain the necessary financing to complete the development of and the future profitable production from the property or realizing proceeds from its disposition. The outcome of these matters cannot be predicted at this time and indicates the existence of a material uncertainty which may cast significant doubt upon the Company's ability to continue as a going concern.

The Company had a deficit of \$900,636 as at August 31, 2023, which has been funded by the issuance of equity. The Company's ability to continue its operations and to realize its assets at their carrying value is dependent upon obtaining additional financing and generating revenues sufficient to cover its operating costs.

These financial statements do not give effect to any adjustments which would be necessary should the Company be unable to continue as a going concern and therefore be required to realize its assets and discharge its liabilities in other than the normal course of business and at amounts different from those reflected in these financial statements.

2. BASIS OF PREPARATION

Statement of Compliance

These unaudited condensed interim financial statements of the Company have been prepared in accordance with International Accounting Standard 34, "Interim Financial Reporting" ("IAS 34") and International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and Interpretations of the Financial Reporting Interpretations Committee ("IFRIC"). These unaudited condensed interim financial statements do not include all the information required for full annual financial statements and should be read in conjunction with the audited financial statements and notes thereto as of and for the year ended May 31, 2023. These unaudited condensed interim financial statements were authorized for issue in accordance with a resolution from the Board of Directors on October 23, 2023.

Basis of Measurement

These unaudited condensed financial statements have been prepared on the historical cost basis except for certain financial instruments which are measured at fair value. In addition, these financial statements have been prepared using the accrual basis of accounting, except for cash flow information. These unaudited condensed interim financial statements follow the same accounting policies and methods of application as the annual audited financial statements for the year ended May 31, 2022. The adoption of new accounting standards has had no material impact on the financial statements. The functional and presentation currency of the Company is the Canadian dollar.

COLOSSUS RESOURCES CORP.
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THREE MONTHS ENDED AUGUST 31, 2023 AND 2022

(Expressed in Canadian dollars)

UNAUDITED

3. NEW ACCOUNTING STANDARDS

Adoption of new accounting standards, interpretations and amendments

The Company has performed an assessment of new standards issued by the IASB that are not yet effective. The Company has assessed that the impact of adopting these accounting standards on its financial statements would not be significant.

4. EXPLORATION AND EVALUATION ASSETS

	Master Copper Project	Little Joe Fault Cu Project	Red Lake Pringle South Property	Total
Balance at May 31, 2021	\$ 140,913	\$ 18,000	\$ 15,000	\$ 173,913
Acquisition costs	23,000	20,000	18,000	61,000
Labour	4,325	-	-	4,325
Other	3,000	-	-	3,000
Balance at May 31, 2022	171,238	38,000	33,000	242,238
Acquisition costs	20,000	-	-	20,000
Labour	32,921	-	-	32,921
Surveying	311,491	-	-	311,491
Drilling	60,147	-	-	60,147
Termination payment	-	-	40,000	40,000
Write-off	-	(38,000)	(73,000)	(111,000)
Balance at May 31, 2023	595,797	-	-	595,797
Surveying	6,848	-	-	602,645
Balance, August 31, 2023	\$ 602,645	\$ -	\$ -	\$ 602,645

4. EXPLORATION AND EVALUATION ASSETS (continued)

Master Copper Project

On December 14, 2020, and as amended on March 26, 2021 and November 3, 2021, the Company entered into a Mineral Property Option Agreement (the "Agreement") with Perry English and Gravel Ridge Resources Ltd. (collectively the "Optionor"). Pursuant to the Agreement, the Company has an option to acquire 100% interest in the mineral claims known as Master Copper Project located in the Sault Ste. Marie Mining Division of Ontario (the "Claims") from the Optionor.

The Claims are subject to a 1.5% net smelter returns royalty (the "NSR Royalty").

Under the Agreement, the Company is required to make cash payments totaling \$78,200 as follows:

- a. make a cash payment of \$12,200 upon execution and delivery of this agreement – paid;
- b. make a further cash payment of \$16,000 on or before December 14, 2021 – paid;
- c. make a further cash payment of \$20,000 on or before December 14, 2022 – paid; and
- d. make a final cash payment of \$30,000 on or before December 14, 2023.

Following the exercise of the option, the Company will have the right to purchase the 1.50% NSR Royalty for \$1,500,000.

On November 3, 2021, the Agreement was amended with Solstice Gold Corp. being the successor in interest to Perry English and Gravel Ridge Resources Ltd., as the new Optionor. The remaining cash payments owing under the Agreement remained the same.

On March 17, 2021, the Company entered into a Mineral Property Option Agreement (the "Agreement") with Yvon Gagne and Michael Gagne (collectively the "Optionor") to acquire additional claims adjacent to the Master Copper Project located in the Sault Ste. Marie Mining Division of Ontario (the "Claims") from the Optionor.

The Claims are subject to a 1.0% net smelter returns royalty (the "NSR Royalty") to be paid by the Company upon commercial production of mineral products.

Under the Agreement, the Company made cash payments totaling \$15,000 to acquire the additional claims.

The Company has the right to purchase 90% of the NSR Royalty (reducing the NSR to 0.1%) for \$250,000.

Little Joe Fault Cu Project

On March 26, 2021, the Company entered into a Mineral Property Option Agreement (the "Agreement") with Perry English, 1544230 Ontario Inc and Gravel Ridge Resources Ltd. (collectively the "Optionor"). Pursuant to the Agreement, the Company has an option to acquire 100% interest in the mineral claims known as Little Joe Fault Cu Project located in the Thunder Bay Mining Division of Ontario (the "Claims") from the Optionor.

4. EXPLORATION AND EVALUATION ASSETS (continued)

Little Joe Fault Cu Project (continued)

The Claims are subject to a 1.5% net smelter returns royalty (the "NSR Royalty").

Under the Agreement, the Company is required to make cash payments totaling \$106,000 as follows:

- a. make a cash payment of \$18,000 upon execution and delivery of the agreement – paid;
- b. make a further cash payment of \$20,000 on or before March 26, 2022 – paid;
- c. make a further cash payment of \$28,000 on or before March 26, 2023; and
- d. make a final cash payment of \$40,000 on or before March 26, 2024.

Following the exercise of the option, the Company will have the right to purchase the 1.5% NSR Royalty for \$1,500,000.

During the year ended May 31, 2023, the Company entered into a settlement agreement to terminate the Agreement and wrote-off the carrying value of the property resulting in a loss of \$38,000.

Red Lake Pringle South Property

On February 10, 2021, and as amended on March 26, 2021, the Company entered into a Mineral Property Option Agreement (the "Agreement") with Perry English, 1544230 Ontario Inc and Gravel Ridge Resources Ltd. (collectively the "Optionor"). Pursuant to the Agreement, the Company has an option to acquire 100% interest in the mineral claims known as Red Lake Pringle South Property located in the Red Lake Mining Division of Ontario (the "Claims") from the Optionor.

The Claims are subject to a 1.5% net smelter returns royalty (the "NSR Royalty").

Under the Agreement, the Company is required to make cash payments totaling \$87,000 as follows:

- a. make a cash payment of \$15,000 upon execution and delivery of the agreement – paid;
- b. make a further cash payment of \$18,000 on or before February 10, 2022 – paid;
- c. make a further cash payment of \$24,000 on or before February 10, 2023; and
- d. make a final cash payment of \$30,000 on or before February 10, 2024.

Following the exercise of the option, the Company will have the right to purchase the 1.5% NSR Royalty for \$1,500,000, in increments of 0.5% for \$500,000.

During the year ended May 31, 2023, the Company entered into a settlement agreement to terminate the Agreement and wrote-off the carrying value of the property resulting in loss of \$73,000

5. SHARE CAPITAL

- a) Authorized: Unlimited number of common shares without par value.
- b) Escrow shares:

As at August 31, 2023, there were 2,640,069 common shares held in escrow.

- c) Issued and outstanding as at August 31, 2023: 13,583,100 common shares.

During the period ended May 31, 2022, the Company had the following transactions:

On August 4, 2022, the Company issued 3,208,000 units pursuant to a prospectus offering for gross proceeds of \$802,000. Each unit consists of one common share and one-half of one common share purchase warrant, with each whole warrant exercisable at a price of \$0.40 until August 4, 2024. Share issuance costs related to the offering amounted to \$188,733 in cash and 256,640 agent warrants which had a fair value of \$38,290 and are exercisable at a price of \$0.25 per share for a period of 2 years from the date of issuance.

- d) Stock options

During the year ended May 31, 2023, the Company adopted a Stock Option Plan (the "Plan"). Under the Plan, the Company can issue up to 10% of the issued and outstanding common shares as incentive stock options to directors, officers, employees and consultants to the Company. The Plan limits the number of stock options which may be granted to any one individual to not more than 5% of the total issued common shares of the Company in any 12-month period. The Plan also limits the stock options which may be granted to any one individual if the exercise would result in the issuance of common shares more than 2% in any 12-month period. The number of options granted to any one consultant or a person employed to provide investor relations activities in any 12-month period must not exceed 2% of the total issued common shares of the Company. As well, stock options granted under the Plan may be subject to vesting provisions as determined by the Board of Directors.

On August 31, 2022, the Company granted 1,200,000 stock options to certain directors and officers of the Company at an exercise price of \$0.25 for a period of five years from the date of grant. The fair value of these options was calculated to be \$222,046. The remaining expected life as at May 31, 2023 is 3.93 years.

COLOSSUS RESOURCES CORP.
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THREE MONTHS ENDED AUGUST 31, 2023 AND 2022

(Expressed in Canadian dollars)

UNAUDITED

5. SHARE CAPITAL (continued)

d) Stock options (continued)

A continuity of the options outstanding as at August 31, 2023 is as follows:

	Number	Weighted average exercise price \$
Balance, May 31, 2022	–	–
Issued	1,200,000	0.25
Balance, May 31, 2023 and August 31, 2023	1,200,000	0.25

The inputs used in the Black-Scholes calculation for the 2023 stock options are as follows:

	2023
Share price	\$0.25
Risk-free dividend rate	2.70%
Expected life of options	5 years
Dividend rate	0.00%
Annualized volatility	97%

e) Warrants

A Summary of the Company's share purchase warrants are as follows:

	Number of Warrants	Weighted Average Exercise Price
Balance, May 31, 2022	–	–
Granted	1,604,000	\$0.40
Granted	256,640	\$0.25
Balance, May 31, 2023 and August 31, 2023	1,860,640	\$0.38

On August 4, 2022, The Company issued 1,604,000 warrants pursuant to a prospectus offering. Each warrant is exercisable at \$0.40 per share and for a period of two years from the date of issue. The weighted average remaining contractual life of the warrants is 0.93 years.

On August 4, 2022, the Company issued 256,640 agent warrants related to the initial public offering ("IPO"). The agent warrants are exercisable at \$0.25 per share and for a period of two years from the date of issue. The weighted average remaining contractual life of the warrants is 0.93 years.

COLOSSUS RESOURCES CORP.
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THREE MONTHS ENDED AUGUST 31, 2023 AND 2022
(Expressed in Canadian dollars)

UNAUDITED

5. SHARE CAPITAL (continued)

e) Warrants (continued)

The following assumptions were used for the Black-Scholes valuation of warrants issued:

	2023
Share price	\$0.25
Risk – free interest rate	3.14%
Expected life of warrants	2 years
Dividend rate	0%
Annualized volatility	115%

The fair value per agent's warrant issued is \$0.15.

6. RELATED PARTY BALANCES AND 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. 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. Key management includes directors and key officers of the Company, including the Chief Executive Officer ("CEO") and Chief Financial Officer ("CFO").

The Company had incurred the following key management personnel costs from related parties:

	Three months ended August 31, 2023	Three months ended August 31, 2022
	\$	\$
Management fees (Company controlled by CEO)	7,500	7,500
Consulting (to a directors)	5,000	5,000

7. MANAGEMENT OF CAPITAL

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 identification, evaluation and acquisition of a Qualified Transaction. The Company does not have any externally imposed capital requirements to which it is subject.

The Company's capital structure consists of equity and share subscriptions. As at August 31, 2023, the Company had capital resources consisting of cash. 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 assets. To maintain or adjust the capital structure, the Company may attempt to issue common shares or dispose of assets or adjust the amount of cash.

8. FINANCIAL INSTRUMENTS AND FINANCIAL RISK

International Financial Reporting Standards 7, Financial Instruments: Disclosures, establishes a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

Level 1 - quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2 - inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

Level 3 - inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Fair value of financial instruments

The Company's financial assets include cash and are classified as Level 1. The carrying value of these instruments approximates their fair values due to the relatively short periods of maturity of these instruments.

Assets measured at fair value on a recurring basis were presented on the Company's statements of financial position as at August 31, 2023 were as follows:

	Carrying amount	Fair value measurement using		
		Level 1	Level 2	Level 3
Cash	\$ 20,536	\$ 20,536	\$ -	\$ -

Financial risk management objectives and policies

The Company's financial instruments include cash and accounts payable. The risks associated with these financial instruments and the policies on how to mitigate these risks are set out below. Management manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

8. FINANCIAL INSTRUMENTS AND FINANCIAL RISK (*continued*)

Financial risk management objectives and policies (continued)

Currency risk

The Company's expenses are denominated in Canadian dollars. The Company's corporate office is based in Canada and current exposure to exchange rate fluctuations is minimal.

The Company does not have any significant foreign currency denominated monetary liabilities. 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 or participation in a business subject to receipt of shareholder approval and acceptance by regulatory authorities.

Credit Risk

Credit risk is the risk of loss associated with the counterparty's inability to fulfill its payment obligations. Financial instruments that potentially subject the Company to concentrations of credit risks consist principally of cash. To minimize the credit risk, the Company places these instruments with a high quality financial institution.

Interest Rate Risk

The Company is exposed to interest rate risk on the variable rate of interest earned on bank deposits. The fair value interest rate risk on bank deposits is insignificant as the deposits are short- term.

The Company has not entered into any derivative instruments to manage interest rate fluctuations.

Liquidity risk

In the management of liquidity risk of the Company, the Company maintains a balance between continuity of funding and the flexibility through the use of borrowings. Management closely monitors the liquidity position and expects to have adequate sources of funding to finance the Company's projects and operations.

9. SUBSEQUENT EVENTS

Subsequent to August 31, 2023, The Company entered into a letter of intent to acquire a 100% interest in the Calvario and Miradur properties in the Republic of Chile. Under the term of the letter of intent the Company must pay \$100,000 USD by July 31, 2023, incur \$250,000 USD in exploration expenditures over a two year period and issue up to 19.9% of the Company's share plus 1,000,000 three year warrants at an exercise price of \$0.50 per share calculated on the post closing balance of share outstanding. The Company is still pursuing however has not yet completed the acquisition.