

CHS RESOURCES INC.

UNAUDITED INTERIM FINANCIAL STATEMENTS

THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2025

NOTICE TO READER: These unaudited interim financial statements have not been reviewed by the Company's Auditors.

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CHS RESOURCES INC.
(An Exploration Stage Entity)
BALANCE SHEET
AS AT SEPTEMBER 30 (UNAUDITED)

	September 30, 2025 (Unaudited)	December 31, 2024 (Audited)
ASSETS		
Current Assets:		
Cash	\$ 5,176	\$ 6,794
Sales taxes receivable (Note 5)	105	884
	\$ 5,281	\$ 7,678
LIABILITIES		
Current Liabilities:		
Accrued liabilities	\$ 14,803	\$ 17,262
Short Term Loan (Note 8)	62,540	51,525
	\$ 77,343	\$ 68,787
SHAREHOLDERS' EQUITY (DEFICIT)		
CAPITAL STOCK (Note 6)	\$ 12,187,936	\$ 12,187,936
CONTRIBUTED SURPLUS	56,690	56,690
DEFICIT	(12,316,688)	(12,305,735)
	(72,062)	(61,109)
See Notes to Financial Statements	\$ 5,281	\$ 7,678

NATURE OF BUSINESS AND GOING CONCERN (Notes 1 and 2)

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

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CHS RESOURCES INC.
(An Exploration Stage Entity)
UNAUDITED STATEMENT OF NET LOSS, COMPREHENSIVE LOSS AND DEFICIT
FOR THE THREE AND NINE MONTHS ENDED SEPTEMBER 30

	Three months ended Sept. 30		Nine months ended Sept 30	
	2025 (\$)	2024 (\$)	2025 (\$)	2024 (\$)
REVENUE:	-	-	-	-
EXPENSES:				
General and Office	14	30	2,098	2,088
Shareholder Information	812	838	2,772	3,604
Regulatory fees	0	-	1,765	1,779
Interest Expense	1,500	1,262	4,318	3,414
	<u>2,326</u>	<u>2,130</u>	<u>10,953</u>	<u>10,885</u>
NET LOSS AND COMPREHENSIVE LOSS FOR PERIOD	(2,326)	(2,130)	(10,953)	(10,885)
DEFICIT, beginning of period	(12,314,362)	(12,295,488)	(12,305,735)	(12,286,733)
DEFICIT, end of period	<u>(12,316,688)</u>	<u>(12,297,618)</u>	<u>(12,316,688)</u>	<u>(12,297,618)</u>
Basic and diluted Loss per Share (note 7)	<u>(0.00005)</u>	<u>(0.00005)</u>	<u>(0.0002)</u>	<u>(0.0002)</u>

UNAUDITED STATEMENT OF SHAREHOLDERS' EQUITY

FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2025

	Share capital	Contributed Surplus	Deficit	Total Shareholders' Equity (Deficit)
Balance as at December 31, 2024	\$12,187,936	\$56,690	(\$12,305,735)	(\$61,109)
Net Loss for the period	-	-	(10,949)	(\$10,949)
Balance as at September 30, 2025	<u>\$12,187,936</u>	<u>\$56,690</u>	<u>(\$12,316,688)</u>	<u>(\$72,062)</u>

FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2024

	Share capital	Contributed Surplus	Deficit	Total Shareholders' Equity (Deficit)
Balance as at December 31, 2023	\$12,187,936	\$56,690	(\$12,286,733)	(\$42,107)
Net Loss for the period	-	-	(\$10,885)	(\$10,885)
Balance as at September 30, 2024	<u>\$12,187,936</u>	<u>\$56,690</u>	<u>(\$12,297,618)</u>	<u>(\$52,992)</u>

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CHS RESOURCES INC.
(An Exploration Stage Entity)
UNAUDITED STATEMENT OF CASH FLOWS
FOR THE THREE AND NINE MONTHS ENDED SEPTEMBER 30

	Three Months ended September 30		Nine months ended September 30	
	2025	2024	2025	2024
	\$	\$	\$	\$
OPERATING ACTIVITIES				
Net Loss for the period	(2,326)	(2,130)	(10,953)	(10,885)
Change in non-cash components of working capital				
Decrease/(Increase) in Sales Taxes Receivable	(1)	112	779	775
(Decrease)/Increase in accrued liabilities	1,504	1,267	(2,459)	(3,355)
	(823)	(751)	(12,633)	(13,465)
FINANCING ACTIVITY				
Short Term Loan	5,000	7,500	11,015	17,500
CHANGE IN CASH	4,177	6,749	(1,618)	4,035
CASH, beginning of period	999	567	6,794	3,281
CASH, end of period	5,176	7,316	5,176	7,316
Cash is comprised of the following:				
Cash in bank	516	7,013	516	7,013
Cash in lawyer's trust account	4,660	303	4,660	303
	5,176	7,316	5,176	7,316
Supplementary Information				
Interest paid during period	1,500	1,262	4,318	3,414
Interest received during period	-	-	-	-
Income taxes paid during period	-	-	-	-

The accompanying Notes are an integral part of these financial statements

NOTICE TO READER: These unaudited interim financial statements have not been reviewed by the Company's Auditors.

CHS RESOURCES INC.
NOTES TO FINANCIAL STATEMENTS
FOR THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2025 AND 2024

1. NATURE OF BUSINESS

CHS Resources Inc. (the "Company" or "CHS") was incorporated under the laws of the Province of Ontario and its registered head office address is 57 Scott Crescent, King City, Ontario, Canada. The common shares of the Company are not presently listed on any stock exchange, but the Company remains a reporting issuer in good standing in the Provinces of British Columbia and Alberta.

The Company's principal purpose is the identification and evaluation of assets or businesses with a view to acquisition or participation therein.

2. GOING CONCERN

The accompanying financial statements have been prepared on a going concern basis in accordance with International Financial Reporting Standards ("IFRS"). The going concern basis of presentation assumes that the Company will continue in operation for the foreseeable future and be able to realize the carrying value of its assets and discharge its liabilities and commitments in the normal course of business. To date, the Company has not earned significant revenue and is considered to be in the exploration stage. The Company does not have significant capital and is entirely dependent upon its ability to obtain sufficient cash to cover its operating costs by way of loans from related parties and other external financing until such time as it can establish and sustain operations.

All of the Company's financial liabilities are classified as current and are anticipated to mature within the next fiscal year. It is management's plan to settle these with funds from its working capital position and from funds raised by way of loans and equity subscriptions if such can be obtained. There can be no assurance that the Company will be able to raise the necessary funding to meet its obligations and to maintain its corporate existence.

These financial statements do not reflect adjustments that would be necessary if the going concern assumption were not appropriate. If the going concern basis was not appropriate for these financial statements, then adjustments would be necessary to the carrying values of assets and liabilities.

3. BASIS OF PRESENTATION

Statement of Compliance

These financial statements are prepared in accordance with IFRS as issued by the International Accounting Standards Board ("IASB") and in accordance with International Accounting Standard ("IAS") 34 "Interim Financial Reporting".

The policies applied in these financial statements are based on IFRS issued and outstanding as of December 31, 2024. The Board of Directors approved these financial statements for issue on November 14, 2025.

Basis of Measurement

These financial statements have been prepared on a historical cost basis using the accrual basis of accounting, except for cash flow information.

The financial statements are presented in Canadian dollars, which is also the Company's functional currency.

4. SIGNIFICANT ACCOUNTING POLICIES

Significant Accounting Judgments, Estimates and Assumptions

The preparation of the financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results may differ from those estimates.

**CHS RESOURCES INC.
NOTES TO FINANCIAL STATEMENTS
FOR THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2025 AND 2024**

Significant assumptions about the future and other sources of estimation uncertainty that management has made at the statement of financial position date that could result in a material adjustment to the carrying amounts of assets and liabilities in the event that actual results differ from assumptions made, relate to, but are not limited to, the following:

Income Taxes

Management uses estimates in determining the appropriate rates and amounts in recording deferred income taxes, giving consideration to timing and probability of realization. Actual taxes could significantly vary from these estimates as a result of a variety of factors including future events, changes in income tax laws or the outcome of reviews by tax authorities and related appeals. The resolution of these uncertainties and the associated final taxes payable may result in adjustments to the Company’s deferred and current tax assets and liabilities.

Income Taxes (“IAS 12”)

The Company follows the liability method of accounting for income taxes, where tax liabilities and assets are recognized on temporary differences. The Company uses the asset and liability method to account for income taxes. Under this method of tax allocation, deferred income and mining tax assets and liabilities are determined based on differences between the financial statement carrying values and their respective income tax basis (temporary differences). Deferred income tax assets and liabilities are measured using the enacted tax rates expected to be in effect when the temporary differences are likely to reverse. The effect on deferred income tax assets and liabilities of a change in tax rates is included in income in the year in which the change is enacted or substantially enacted. The amount of deferred income tax assets recognized is limited to the amount that is more likely than not to be realized.

Basic and Diluted Earnings or Loss Per Share (“IAS 33”)

Basic earnings (loss) per share is computed by dividing earnings (loss) available to common shareholders by the weighted average number of common shares outstanding during the period. The treasury stock method is used to calculate diluted earnings (loss) per share. Diluted earnings (loss) per share is similar to basic earnings per share, except that the denominator is increased to include the number of additional common shares that would have been outstanding assuming that options and warrants with an average market price for the year greater than their exercise price are exercised and the proceeds used to repurchase common shares.

The fully diluted loss per share has not been computed as the effect would be anti-dilutive.

Provisions (“IAS 37”)

A provision is recognized if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognized as a finance cost.

Financial Instruments (“IFRS 9”)

On January 1, 2018, the Company adopted IFRS 9 – Financial Instruments (“IFRS 9”). All financial instruments are measured at fair value upon initial recognition. Measurement in subsequent periods depends upon the financial instrument classification.

The Company’s financial instruments consist of the following:

Instruments	Classification
Cash	Amortized cost
Accounts payable and accrued liabilities	Amortized cost

CHS RESOURCES INC.
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FOR THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2025 AND 2024

Financial assets and liabilities classified as FVTPL are measured at their fair value at each reporting date with unrealized gains and losses recognized in net income. Financial assets and financial classified as amortized cost are measured at amortized cost using the effective interest method.

Transaction costs in respect of financial assets and liabilities which are FVTPL are recognized in net income immediately. Transaction costs in respect of loans and receivables and other liabilities are included in the initial fair value measurement of the financial instruments.

Classification of financial instruments

IFRS 7 establishes a fair value hierarchy that reflects the significance of inputs in measuring fair value as the following:

- 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. prices) or indirectly (i.e. derived from prices); and
- Level 3 – inputs for the assets or liability that are not based on observable market data (unobservable inputs).

The classification of a financial instrument in the fair value hierarchy is based upon the lowest level of input that is significant to the measurement of fair value.

The Company’s cash are designated as Level 1, the remaining financial instruments are designated as level 2.

Offsetting of financial instruments

Financial assets and financial liabilities are offset, and the net amount is reported in the statement of financial position if, and only if, there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the assets and settle the liabilities simultaneously.

Allowance for expected credit losses

IFRS 9 Financial instruments introduces an expected credit loss (“ECL”) impairment model applicable to all debt instruments within financial assets classified as amortized cost or at fair value through other comprehensive income (“FVTOCI”), as well as certain off-balance sheet loan commitments. The general principle of the ECL model is to reflect the pattern of deterioration or improvement in the credit quality of the associated financial instruments. The calculated allowance is designed to be an unbiased and probability-weighted amount that has been determined by: evaluating possible outcomes; the time value of money; reasonable and supportable information about past events; and current and forecasted economic conditions.

5. SALES TAXES RECOVERABLE

Sales taxes recoverable represents harmonized sales taxes which have not yet been refunded by the Canada Revenue Agency (CRA).

6. SHARE CAPITAL

The Company has authorized an unlimited number of common shares of which 41,464,524 are issued and outstanding as at September 30, 2025, and at the date hereof; (*September 30, 2024 – 41,464,524*).

The Company has also authorized an unlimited number of special shares, issuable in series. As at September 30, 2025 and 2024 and at the date hereof, there were no special shares issued and outstanding.

CHS RESOURCES INC.
NOTES TO FINANCIAL STATEMENTS
FOR THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2025 AND 2024

7. LOSS PER SHARE

	Three months ended Sept 30		Nine months ended Sept. 30	
	2025	2024	2025	2024
Numerator: Net loss for the period	\$ (2,322)	(2,130)	(10,9495)	(10,885)
Denominator: Weighted average number of shares	41,464,524	41,464,524	41,464,524	41,464,524
Basic and diluted loss per share	\$ (\$0.00005)	(\$0.00005)	(0.0002)	(\$0.0002)

The determination of the weighted average number of outstanding shares for the calculation of diluted loss per share does not include the effect of stock options since they are anti-dilutive.

8. RELATED PARTY TRANSACTIONS

All related party transactions were transacted in the normal course of business and are measured at the exchange amount, which is the amount of consideration agreed to by the related parties.

Key management personnel are defined as those individuals having authority and responsibility for planning, directing and controlling the activities of the Company. There was no compensation paid or accrued to key management personnel during the Quarter ended September 30, 2025, (2024 - \$nil).

Included among the Expenses for the Three and Nine month periods to September 30, 2025 and 2024 are the following amounts which were accrued payable to related parties:

	9 months to September 30, 2025	9 months to September 30, 2024
Administrative fees due to a lawfirm of which a director is the principal:	\$2,000	\$2,000

During the Quarter ended September 30, 2025 the Company borrowed, by way of short term loan, the sum of \$5,000 from a company of which the Chairman/CEO is a director and shareholder. This loan was secured by a promissory note, bearing interest at the rate of 10% per year. This amount was added to the principal owed on a prior short term loan outstanding as at June 30, 2025, of \$57,540, so that as at September 30, 2025, principal of \$62,540 was owing. Interest of \$1,500 accrued due on these short term loans during the Quarter ended September 30, 2025, and total accrued interest as at September 30, 2025, amounted to \$14,192.

During the Quarter ended March 31, 2025 the Company borrowed, by way of short-term loan, the sum of \$6,015,000 from a company of which the Chairman/CEO is a director and shareholder. This loan was secured by a promissory note, bearing interest at the rate of 10% per year. This amount was added to the principal owed on prior short-term loans outstanding as at December 31, 2024, of \$51,025, so that as at June 30, 2025, principal of \$57,540 was owing. Interest of \$1,435 accrued due on these short-term loans during the Quarter ended June 30, 2025, and total accrued interest as at June 30, 2025, amounted to \$12,693.

During the Quarter ended March 31, 2024 the Company borrowed, by way of short-term loan, the sum of \$10,000 from a company of which the Chairman/CEO is a director and shareholder. This loan was secured by a promissory note, bearing interest at the rate of 10% per year. This amount was added to the principal owed on a prior short term loan outstanding as at December 31, 2023, of \$34,025, so that as at June 30, 2024, principal of \$ 44,025 was owing. Interest of \$1,098 accrued due on these short-term loans during the Quarter ended June 30, 2024, and total accrued interest as at June 30, 2024, amounted to \$7,315.

The cash in the lawyer's trust account is held by the Company's solicitor, who is also a director and officer of the Company.

CHS RESOURCES INC.
NOTES TO FINANCIAL STATEMENTS
FOR THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2025 AND 2024

9. FINANCIAL INSTRUMENTS

The carrying amounts of cash and cash in lawyer's trust account, and accounts payable and accrued liabilities represent their fair value due to their short-term nature. It is management's opinion that the Company is not exposed to significant interest rate, currency and credit risks arising from these financial instruments. The Company's risk exposures and the impact of the Company's financial instruments are summarized below:

Credit Risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Company is not currently exposed to any significant credit risk.

Liquidity Risk

All of the Company's financial liabilities are classified as current and are anticipated to mature within the next fiscal year. The Company intends to settle these with funds from its working capital and from funds raised by way of loans and equity subscriptions if such can be obtained. There can be no assurance that the Company will be able to raise the necessary funding to meet its accrued liabilities and to maintain its corporate existence.

Market risk

Market risk is the risk of loss that may arise from changes in market factors such as interest rates, foreign exchange rates, and commodity and equity prices.

(a) Interest rate risk

The Company is satisfied with the security provided by depositing its funds in its lawyer's trust account and credit ratings of the bank in which such account is held. Since these funds are on a current account, the Company believes it is not exposed to significant interest rate risk

(b) Foreign currency risk

As at September 30, 2025 and 2024 the Company did not have any foreign operations, obligations or assets denominated in foreign currency, and accordingly it believes that it is not exposed to any foreign currency risk.

10. MANAGEMENT OF CAPITAL

Management considers its capital structure to consist of equity (deficit) attributable to equity holders of the Company, comprising its issued share capital, contributed surplus and accumulated deficit which at September 30, 2025 totaled (\$72,058) (*September 30, 2024*– (\$52,992)).

The Company manages its limited capital resources to ensure that it will be able to continue as a going concern. The availability of new capital will depend on many factors including positive technical reports and recommendation in relation to the Company's mineral exploration properties, positive stock market conditions, the Company's track record, and the experience of management.

There were no changes in management's approach to capital management during the Quarter ended September 30, 2025. The Company is not subject to externally imposed capital requirements.