
PACIFIC SILK ROAD RESOURCES GROUP INC.
CONSOLIDATED INTERIM FINANCIAL STATEMENTS
For the Three Months Ended September 30, 2023 and 2022
(Expressed in Canadian Dollars)
(Unaudited)

NOTICE OF NO AUDITOR REVIEW OF INTERIM FINANCIAL STATEMENTS

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

The accompanying unaudited consolidated 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 consolidated interim financial statements in accordance with the standards established by the Chartered Professional Accountants of Canada for a review of the interim financial statements by an entity's auditor.

PACIFIC SILK ROAD RESOURCES GROUP INC.**CONSOLIDATED INTERIM STATEMENTS OF FINANCIAL POSITION****AS AT SEPTEMBER 30, 2023 AND JUNE 30, 2023**(Expressed in Canadian Dollars)

	September 30, 2023 (unaudited)	June 30, 2023 (audited)
ASSETS		
CURRENT		
Cash	\$ 15,045	\$ 16,613
GST receivable	912	430
Prepaid expenses	8,969	11,765
	24,926	28,808
EQUIPMENT	210	210
	\$ 25,136	\$ 29,018
LIABILITIES		
CURRENT		
Accounts payable (Note 4)	\$ 892,560	\$ 855,790
Accrued liabilities	123,376	123,376
Loans payable (Notes 4 and 6)	324,199	320,030
Decommissioning provisions (Note 5)	332,150	332,150
	1,672,285	1,631,346
SHAREHOLDERS' DEFICIENCY		
Share capital (Note 7)	17,161,040	17,161,040
Share-based payment reserve (Notes 7 and 8)	3,535,286	3,535,286
Accumulated other comprehensive income	1,024	1,076
Deficit	(22,344,499)	(22,299,730)
	(1,647,149)	(1,602,328)
	\$ 25,136	\$ 29,018

NATURE OF BUSINESS AND CONTINUING OPERATIONS (Note 1)

COMMITMENTS (Note 12)

CANCELLED ACQUISITION (Note 13)

Approved on behalf of the Board:

"Tao Liu"

Tao Liu, Director

"Yingqian Li"

Yingqian Li, Director

PACIFIC SILK ROAD RESOURCES GROUP INC.
CONSOLIDATED INTERIM STATEMENTS OF COMPREHENSIVE LOSS
FOR THE THREE MONTHS ENDED SEPTEMBER 30,
(Unaudited) (Expressed in Canadian Dollars)

	2023	2022
GENERAL AND ADMINISTRATION		
Consulting fees	\$ 6,000	\$ 6,000
Interest expense (Note 6)	3,919	3,914
Management fees (Note 4)	20,500	20,500
Office, rent and miscellaneous	615	465
Professional fees	306	462
Salaries and wages	9,642	9,642
Transfer agent and filing fees	3,339	427
	44,321	41,410
NET LOSS BEFORE OTHER ITEM	(44,321)	(41,410)
OTHER ITEM		
Foreign exchange loss	(448)	(1,307)
NET LOSS FOR THE PERIOD	(44,769)	(42,717)
Item that may be reclassified to profit or loss:		
Foreign currency translation adjustment	(52)	(119)
COMPREHENSIVE LOSS FOR THE PERIOD	\$ (44,821)	\$ (42,836)
LOSS PER SHARE, basic and diluted (Note 9)	\$ (0.00)	\$ (0.00)
WEIGHTED AVERAGE NUMBER OF COMMON SHARES OUTSTANDING	33,342,562	33,342,562

PACIFIC SILK ROAD RESOURCES GROUP INC.
CONSOLIDATED INTERIM STATEMENTS OF CASH FLOWS
FOR THE THREE MONTHS ENDED SEPTEMBER 30,
(Unaudited) (Expressed in Canadian Dollars)

	2023	2022
OPERATING ACTIVITIES		
Net loss for the period	\$ (44,769)	\$ (42,717)
Items not involving cash:		
Interest on loans	3,919	3,914
Unrealized foreign exchange loss	450	1,307
Changes in non-cash working capital items:		
GST receivable	(482)	(353)
Prepaid expenses	2,796	469
Accounts payable and accrued liabilities	36,518	35,358
NET CASH USED IN OPERATING ACTIVITIES	(1,568)	(2,022)
 CHANGE IN CASH	 (1,568)	 (2,022)
CASH, BEGINNING OF PERIOD	16,613	95,187
CASH, END OF PERIOD	\$ 15,045	\$ 93,165

PACIFIC SILK ROAD RESOURCES GROUP INC.**CONSOLIDATED INTERIM STATEMENTS OF CHANGES IN SHAREHOLDERS' DEFICIENCY**

(Unaudited) (Expressed in Canadian Dollars)

	Number of Shares	Share Capital	Share-Based Payment Reserve	Accumulated Other Comprehensive Income	Deficit	Shareholders' Deficiency
Balance, June 30, 2022	33,342,562	\$ 17,161,040	\$ 3,535,286	\$ 1,115	\$ (22,098,088)	\$ (1,400,647)
Net and comprehensive loss for the period	-	-	-	(119)	(42,717)	(42,836)
Balance, September 30, 2022	33,342,562	\$ 17,161,040	\$ 3,535,286	\$ 996	\$ (22,140,805)	\$ (1,443,483)
Balance, June 30, 2023	33,342,562	\$ 17,161,040	\$ 3,535,286	\$ 1,076	\$ (22,299,730)	\$ (1,602,328)
Net and comprehensive loss for the period	-	-	-	(52)	(44,769)	(44,821)
Balance, September 30, 2023	33,342,562	\$ 17,161,040	\$ 3,535,286	\$ 1024	\$ (22,344,499)	\$ (1,647,149)

PACIFIC SILK ROAD RESOURCES GROUP INC.
NOTES TO CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2023 AND 2022
(Unaudited) (Expressed in Canadian Dollars)

1. NATURE OF BUSINESS AND CONTINUING OPERATIONS

Pacific Silk Road Resources Group Inc. (the “Company”) was incorporated under the Company Act in British Columbia on April 18, 2006. On June 6, 2018, the Company changed its name to Pacific Silk Road Resources Group Inc. The Company is involved in the acquisition, exploration and development of mineral properties, primarily focused on potash. The Company’s shares trade on the TSX Venture Exchange (“TSX-V”) under the symbol of “PP.V”

The head office, principal address and records office of the Company are located at 885 West Georgia Street, Suite 1500, Vancouver, British Columbia, V6C 3E8. The Company’s registered address is 609 Granville Street, Suite 1600, Vancouver, British Columbia, V7Y 1C3.

These consolidated interim financial statements have been prepared on the going concern basis, which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business. The Company has accumulated a deficit of \$22,344,499 since inception. The Company has not yet produced any revenues from its resource interests and the future operations of the Company are dependent on its ability to generate future cash flows or obtain additional financing to meet the Company’s liabilities and commitments as they become due. There is a risk that additional financing will not be available on a timely basis or on terms acceptable to the Company. These factors indicate the existence of a material uncertainty that may cast significant doubt about the Company’s ability to continue as a going concern. These consolidated interim financial statements do not reflect any adjustments that may be necessary if the Company is unable to continue as a going concern. Such adjustments could be material.

2. STATEMENT OF COMPLIANCE AND BASIS OF PRESENTATION

a) Statement of Compliance

These consolidated interim financial statements, including comparatives, have been prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”) and interpretations of the International Financial Reporting Interpretations Committee (“IFRIC”) and are in compliance with IAS 34, Interim Reporting.

The consolidated interim financial statements were authorized for issue by the Board of Directors on November 29, 2023.

b) Basis of Presentation

These consolidated interim financial statements are prepared on the historical cost basis except for certain financial instruments, which are measured at fair value. In addition, these consolidated interim financial statements have been prepared using the accrual basis of accounting, except for cash flow information. All amounts are expressed in Canadian dollars unless otherwise stated.

These consolidated interim financial statements include the accounts of the Company and its wholly-owned controlled subsidiaries Moonraker Acquisition Corp., and Pacific Silk Roads Resources Limited (“Hong Kong subsidiary”). All intercompany amounts and transactions have been eliminated on consolidation.

c) Presentation and Functional Currencies

The presentation currency of the Company is the Canadian dollar. Management has determined that the functional currency of the Company and its Canadian subsidiaries is the Canadian dollar, and its Hong Kong subsidiary is the US dollar.

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2. STATEMENT OF COMPLIANCE AND BASIS OF PRESENTATION (continued)

d) Significant Accounting Estimates and Judgments

The preparation of consolidated interim financial statements requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated interim financial statements, and the reported amount of revenues and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the result of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and further periods if the review affects both current and future periods.

Judgments made by management in the application of IFRS that have a significant effect on the consolidated financial statements and estimates with a significant risk of material adjustment in the current and following fiscal years are discussed in Note 3.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a) Exploration and Evaluation Assets

i. Pre-license expenditures

Pre-license expenditures are costs incurred before the legal rights to explore a specific area have been obtained. These costs are expensed in the period in which they are incurred as exploration and evaluation expense.

ii. Exploration and evaluation expenditures

Once the legal right to explore has been acquired, costs directly associated with the exploration project are capitalized as either tangible or intangible exploration and evaluation assets ("E&E") according to the nature of the asset acquired. Such E&E costs may include undeveloped land acquisition, geological, geophysical and seismic, exploratory drilling and completion, testing, decommissioning and directly attributable internal costs. E&E costs are not depleted and are carried forward until technical feasibility and commercial viability of extracting a mineral resource is considered to be determined. All such carried costs are subject to technical, commercial and management review at least once a year to confirm the continued intent to develop or otherwise extract value from the exploratory activity. When this is no longer the case, impairment costs are charged to exploration and evaluation expense. Upon determination of mineral reserves, E&E assets attributed to those reserves are first tested for impairment and then reclassified to development and production assets within property, plant and equipment, net of any impairment. Expired land costs are also expensed to exploration and evaluation expense as they occur.

iii. Impairment

Exploration and evaluation assets are assessed for impairment when indicators and circumstances suggest that the carrying amount may exceed its recoverable amount. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment. Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit

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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

a) Exploration and Evaluation Assets (continued)

iii. Impairment (continued)

to which the asset belongs. The recoverable amount is the higher of fair value less costs to sell and value in use. Fair value is determined as the amount that would be obtained from the sale of the asset in an arm's length transaction between knowledgeable and willing parties. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount and the impairment loss is recognized in the profit or loss for the period.

Industry-specific indicators for an impairment review arise typically when one of the following circumstances applies:

- Substantive expenditure or further exploration and evaluation activities is neither budgeted nor planned;
- Title to the asset is compromised, has expired or is expected to expire;
- Adverse changes in the taxation, regulatory or political environment;
- Adverse changes in variables in commodity prices and markets making the project unviable; and
- Variations in the exchange rate for the currency of operation.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but to an amount that does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognized immediately in profit or loss.

iv. Government assistance

Exploration tax credits for certain exploration expenditures incurred are treated as a reduction of the exploration and development costs of the respective exploration and evaluation assets.

b) Restoration, Rehabilitation, and Environmental Obligations

An obligation to incur restoration, rehabilitation and environmental costs arises when environmental disturbance is caused by the exploration or development of a mineral or oil and gas property interest. Such costs arise from the decommissioning of plant and other site preparation work, discounted to their net present value, are provided for and capitalized at the start of each project to the carrying amount of the asset, along with a corresponding liability as soon as the obligation to incur such costs arises. The timing of the actual rehabilitation expenditure is dependent on a number of factors such as the life and nature of the asset, the operating license conditions and, when applicable, the environment in which the property operates.

Discount rates using a pre-tax rate that reflects the time value of money are used to calculate the net present value. These costs are charged against profit or loss over the economic life of the

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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

b) Restoration, Rehabilitation, and Environmental Obligations (continued)

related asset, through amortization using either the unit-of-production or the straight-line method.

The corresponding liability is progressively increased as the effect of discounting unwinds creating an expense recognized in profit or loss.

c) Cash and Cash Equivalents

Cash and cash equivalents in the consolidated statements of financial position comprise of cash held at major financial institutions and short-term investments which are readily convertible into a known amount of cash. The Company's cash is invested in business accounts which are available on demand by the Company.

d) Equipment

Equipment is recorded at cost. Amortization is provided, once the assets are in use, over their estimated useful lives on a declining balance basis at a rate of 30% per annum. In the year of acquisition only one-half of the normal amortization is recorded and no amortization is recorded in the year of disposal. The Company reviews the carrying value of its equipment on an annual basis and where the carrying value is estimated to exceed its net recoverable amount, an impairment charge is recorded.

e) Income Taxes

Income tax on the profit or loss for the periods presented comprises current and deferred tax. Income tax is recognized in profit or loss except to the extent that it relates to items recognized in other comprehensive income or loss or directly in equity, in which case it is recognized in other comprehensive income or loss or equity.

Current tax expense is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at year end, adjusted for amendments to tax payable with regards to previous years.

Deferred tax is provided using the liability method, providing for unused tax loss carry-forwards and temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. 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 enactive or substantively enacted at the end of the reporting period applicable to the period of expected realization or settlement. 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 tax authority and the group intends to settle its current tax assets and liabilities on a net basis.

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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

f) Foreign Currency Translation

The functional currency of the Company and its Canadian subsidiaries, being the currency of the primary economic environment in which the Company operates, is the Canadian dollar. The functional currency of the Company's Hong Kong subsidiary is the US dollar.

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transaction. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities not denominated in the functional currency of an entity are recognized in the consolidated statement of comprehensive loss.

Assets and liabilities of entities with functional currencies other than the Canadian dollar are translated at the period-end rates of exchange, and the results of their operations are translated at average rates of exchange for the period. The resulting translation adjustments are included in accumulated other comprehensive income in shareholders' equity.

g) Share Capital and Flow-through Shares

Common shares are classified as equity. Transaction costs directly attributable to the issue of common shares and share purchase options are recognized as a deduction from equity, net of any tax effects.

The Company finances some exploration expenditures through the issuance of flow-through shares. In accordance with IAS 12, *Income Taxes*, a deferred tax liability is recognized, with certain specific exceptions, for the taxable temporary difference that arises from the difference between the carrying amount of eligible expenditures capitalized as an asset in the statement of financial position and its tax base. At the time the flow-through shares are issued, there is a potential premium paid on the flow-through shares calculated based on the share issuance price and the market price at the time of closing. In the absence of a market price, the Company uses the fair value as determined by the price per share in recent non flow-through share financings or other techniques as considered necessary. This premium is recorded as premium on flow-through shares liability on the consolidated statements of financial position reducing share capital and is drawn down proportionately as the flow-through exploration spending occurs and recorded to either other income or deferred tax expense. In instances where the Company has sufficient deductible temporary differences available to offset the deferred income tax liability created from renouncing qualifying expenditures, the realization of the deductible temporary differences will be shown as a recovery in profit or loss in the period of renunciation.

h) Share-Based Payments

The Company has an equity-settled share-based compensation plan. Equity-settled share-based payments to employees and others providing similar services are measured at the fair value of the equity instruments at the grant date. The fair value is measured at the grant date and each tranche is recognized on a graded-vesting basis over the period in which options vest. At the end of each reporting period, the Company revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognized in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to share-based payment reserve.

Equity-settled share-based payment transactions with parties other than employees are measured at the fair value of the goods or services received, except where that fair value cannot be estimated reliably, in which case they are measured at the fair value of the equity instruments granted, measured at the date the entity obtains the goods or the counterparty renders the service.

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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

i) Loss per Share

The Company presents basic and diluted loss per share data 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.

j) Financial Instruments

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 the Company has opted to measure them at FVTPL.

The following table shows the classification under IFRS 9:

Financial assets/liabilities	IFRS 9 classification
Cash	FVTPL
Accounts payable	Amortized cost
Loans payable	Amortized cost

Measurement

Financial assets at FVTOCI

Elected investments in equity investments at FVTOCI are initially recognized at fair value plus transaction costs. Subsequently they are measured at fair value, with gains and losses recognized in other comprehensive loss.

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 expensed in the statements of net loss. Realized and unrealized gains and losses arising from changes in the fair value of the financial assets and liabilities held at FVTPL are recorded in the statements of comprehensive loss in the period in which they arise.

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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

j) Financial Instruments (continued)

Impairment of financial assets 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's credit risk has not increased significantly since initial recognition, the Company measures the loss allowance for the financial asset's credit risk at an amount equal to the twelve month expected credit losses. The Company shall recognize in the statements of comprehensive 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.

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 the statements of comprehensive loss. However, gains and losses on derecognition of financial assets classified as FVTOCI remain within accumulated other comprehensive loss.

Financial liabilities

The Company derecognizes financial liabilities only when its obligation under the financial liabilities are discharged, cancelled or expired. Generally, the difference between the carrying amount of the financial liability derecognized and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognized in the statements of comprehensive loss.

k) Significant Accounting Estimates and Judgments

These consolidated interim financial statements include estimates which, by their nature, are uncertain. The impacts of such estimates are pervasive throughout the consolidated financial statements and may require accounting adjustments based on future occurrences. Revisions to accounting estimates are recognized in the period in which the estimate is revised and future periods if the revision affects both current and future years. These estimates are based on historical experience, current and future economic conditions and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting estimates

Significant assumptions about the future and other sources of estimation uncertainty that management has made at the end of the reporting period, 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:

- i. the provision for the income tax expense which is included in profit or loss and the measurement of deferred income tax liabilities included in the consolidated statements of financial position; and
- ii. the determination of decommissioning provisions and inputs used.

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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

k) Significant Accounting Estimates and Judgments (continued)

Critical accounting judgments

- i. the determination of categories of financial assets and financial liabilities identified as financial instruments, which involves judgments or assessments made by management;
- ii. the determination of whether it is likely that future taxable profits will be available to utilize against any deferred tax assets; and
- iii. the recognition and valuation of provisions for restoration, rehabilitation and environmental obligations.

l) Segment Reporting

All of the Company's assets are located in Canada as at September 30, 2023 and June 30, 2023.

m) Provisions

Provisions are recorded when a present legal or constructive obligation exists as a result of past events where it is probably that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount can be made. If the effect of time value of money is material, 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, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognized as a finance costs.

n) Accounting standards issued but not yet effective

There are no other IFRS or International Financial Reporting Interpretations Committee interpretations that are not yet effective that would be expected to have a material impact on the Company's consolidated financial statements.

4. RELATED PARTY TRANSACTIONS AND BALANCES

Key management personnel receive compensation in the form of short-term employee benefits. Key management personnel include the officers and directors of the Company.

For the three months ended September 30,	2023	2022
Management fees	\$ 20,500	\$ 20,500

The following amounts are due to related parties and have been included in accounts payable.

	September 30, 2023	June 30, 2023
Accounts payable	\$ 520,803	\$ 500,303

The amounts are due to directors and officers of the Company. The amounts are non-interest bearing, unsecured and are due upon demand.

At September 30, 2023, the Company has loans payable of \$324,199 (June 30, 2023 - \$320,030) owing to companies controlled by directors of the Company.

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(Unaudited) (Expressed in Canadian Dollars)

5. DECOMMISSIONING PROVISIONS

The following table presents the reconciliation of the opening and closing aggregate carrying amount of the decommissioning provisions:

Balance as at June 30, 2021	\$	255,500
Change of estimates		76,650
Balance as at June 30, 2023 and September 30, 2023	\$	332,150

During 2022, management re-evaluated the estimated costs to remediate the wells to an undiscounted future cost of \$332,150, which resulted in a charge of \$76,650 to the consolidated statement of comprehensive loss. During the year ended June 30, 2023, there was no changes on the estimated costs.

6. LOANS PAYABLE

	A		B		C		Total
Balance as at June 30, 2022	\$	259,898	\$	34,540	\$	9,740	\$ 304,178
Accrued interest		13,332		1,733		480	15,545
Foreign exchange adjustment		-		307		-	307
Balance as at June 30, 2023		273,230		36,580		10,220	320,030
Accrued interest		3,360		438		121	3,919
Foreign exchange adjustment		-		250		-	250
Balance as at September 30, 2023	\$	276,590	\$	37,268	\$	10,341	\$ 324,199

- a) During the year ended June 30, 2018, the Company was advanced \$134,000 (2017 - \$60,000) from Sino-Canada Natural Resources Fund I ("Sino-Canada"), a significant shareholder and a company related to a director of the Company. The loan bears interest of 6% per annum, calculated annually. The loan has matured and is due on demand. On July 12, 2019, the Company issued 2,679,189 common shares with a fair value of \$53,584 to settle a total of \$133,960 in outstanding loans and accrued interest. During the three months ended September 30, 2023, the Company recorded interest expense of \$1,120 (2022 - \$1,120) on this loan. The loan is unsecured.

On October 17, 2019, the Company was advanced a loan of \$10,000 from Sino-Canada. The loan bears interest at 6% per annum, calculated annually, and matured on October 16, 2020. During the three months ended September 30, 2023, the Company recorded interest expense of \$151 (2022 - \$151) on this loan. The loan is unsecured.

On May 28, 2020, the Company was advanced a loan of \$35,000 from Sino-Canada. The loan bears interest at 6% per annum, calculated annually, and matured on May 28, 2021. During the three months ended September 30, 2023, the Company recorded interest expense of \$529 (2022 - \$529) on this loan. The loan is unsecured.

On October 13, 2020, the Company was advanced a loan of \$17,000 from Sino-Canada. The loan bears interest at 6% per annum, calculated annually, and matured on October 13, 2021. During the three months ended September 30, 2023, the Company recorded interest expense of \$257 (2022 - \$257) on this loan. The loan is unsecured.

On October 23, 2020, the Company was advanced a loan of \$15,000 from Sino-Canada. The loan bears interest at 6% per annum, calculated annually, and matured on October 23, 2021. During the three months ended September 30, 2023 the Company recorded interest expense of \$227 (2022 - \$227) on this loan. The loan is unsecured.

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6. LOANS PAYABLE (continued)

On November 5, 2020, the Company was advanced a loan of \$34,200 from Sino-Canada. The loan bears interest at 6% per annum, calculated annually, and matured on November 5, 2021. During the three months ended September 30, 2023, the Company recorded interest expense of \$517 (2022 - \$517) on this loan. The loan is unsecured.

On February 24, 2021, the Company was advanced a loan of \$15,000 from Sino-Canada. The loan bears interest at 6% per annum, calculated annually, and matured on February 24, 2022. During the three months ended September 30, 2023, the Company recorded interest expense of \$227 (2022 - \$227) on this loan. The loan is unsecured.

On May 14, 2021, the Company was advanced loan of \$12,000 from Sino-Canada. The loan bears interest at 6% per annum, calculated annually, and matured on May 14, 2022. During the three months ended September 30, 2023, the Company recorded interest expense of \$181 (2022 - \$181) on this loan. The loan is unsecured.

On September 28, 2021, the Company was advanced loan of \$10,000 from Sino-Canada. The loan bears interest at 6% per annum, calculated annually, and matures on September 28, 2022. During the three months ended September 30, 2023, the Company recorded interest expense of \$151 (2022 - \$151) on this loan. The loan is unsecured.

- b) On May 1, 2018, the Company was advanced \$8,726 (52,000 HKD) from CapitalAsia Asset Management Ltd. ("CapitalAsia"), a company controlled by a director of the Company. The loan bears interest of 6% per annum, calculated annually and matured on May 1, 2019. During the three months ended September 30, 2023, the Company recorded interest expense of \$135 (2022 - \$131) on this loan. The loan is unsecured.

On April 10, 2019, the Company was advanced \$20,000 from CapitalAsia, a company controlled by a director of the Company. The loan bears interest of 6% per annum, calculated annually and matured on April 10, 2020. During the three months ended September 30, 2023, the Company recorded interest expense of \$302 (2022 - \$302) on this loan. The loan is unsecured.

- c) On February 19, 2019, the Company was advanced \$10,000 from Capital Asia Consulting (Canada) Inc., a company controlled by a director of the Company. The loan bears interest of 6% per annum, calculated annually and matured on February 19, 2020. The Company made a partial payment of \$2,000 in March 2020. During the three months ended September 30, 2023, the Company recorded interest expense of \$122 (2022 - \$121) on this loan. The loan is unsecured.

7. SHARE CAPITAL

- a) Share Capital

Authorized

Unlimited number of common shares without par value

As at September 30, 2023, there were 33,342,562 common shares outstanding (June 30, 2023 - 33,342,562).

There were no common shares issued during the three months ended September 30, 2023.

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7. SHARE CAPITAL (continued)

a) Share Capital (continued)

Year ended June 30, 2022:

On June 15, 2022, the Company completed a non-brokered private placement for gross proceeds of \$150,000 through the issuance of 1,200,000 common shares at a price of \$0.125 per share. The Company incurred \$6,764 share issuance costs in connection to the private placement.

b) Stock Options

The Company has adopted a fixed stock option plan pursuant to which options may be granted to directors, officers, employees and consultants of the Company to a maximum of 10% of the issued and outstanding common shares. Stock options granted under this plan vest immediately, except for stock options granted to consultants engaged in investor relations activities will vest at a rate of 25% per every three-month period.

The following table summarizes the continuity of stock options:

	Number of Options	Weighted Average Exercise Price
Balance, June 30, 2023 and September 30, 2023	1,535,000	\$ 0.15

As at September 30, 2023, the following stock options were outstanding:

Number of Options	Exercise Price	Expiry Date
110,000	\$ 0.75	December 10, 2023
25,000	\$ 0.55	April 8, 2024
1,400,000	\$ 0.10	May 2, 2027
1,535,000	\$ 0.15	

The weighted average life of stock options were 3.30 years.

c) Share Purchase Warrants

The Company has Nil share purchase warrants outstanding as at September 30, 2023 and June 30, 2023.

8. SHARE-BASED PAYMENT RESERVE

Share-based payment reserve records items recognized as share-based payment until such time that the stock options and warrants are exercised, at which time the corresponding amount will be transferred to share capital.

9. BASIC AND DILUTED LOSS PER SHARE

The calculation of basic and diluted loss per share for the three months ended September 30, 2023 and 2022 was based on the net loss attributable to common shareholders of \$44,769 (2022 - \$42,717) and the weighted average number of common shares outstanding of 33,342,562 (2022 - 33,342,562).

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10. CAPITAL MANAGEMENT

As at September 30, 2023, the Company considers capital to be all components of shareholders' equity. 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. 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 sourcing and exploration of mineral properties. The Company does not have any externally imposed capital requirements to which it is subject. There was no change in the Company's approach to capital management during the period.

11. FINANCIAL INSTRUMENTS

The Company is exposed to varying degrees to a variety of financial instrument related risks. The Board approves and monitors the risk management processes. The type of risk exposure and the way in which such exposure is managed is provided as follows:

Credit Risk

Credit risk is the risk of potential loss to the Company if counterparty to a financial instrument fails to meet its contractual obligations. The Company's credit risk is primarily attributable to its liquid financial assets including cash. The Company limits the exposure to credit risk by only investing its cash with high-credit quality financial institutions.

Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company manages liquidity risk through the management of its capital structure and financial leverage as described in Note 10.

The Company monitors its ability to meet its short-term exploration and administrative expenditures by raising additional funds through share issuance when required. All of the Company's trade payables have contractual maturities of 30 days or are due on demand and are subject to normal trade terms. The Company does not have investments in any asset backed deposits.

In the normal course of business, the Company enters into contracts that give rise to commitments for future minimum payments. The following table summarizes the Company's significant commitments and corresponding maturities:

		<1 year		1–5 years		Total
Accounts payable	\$	892,560	\$	-	\$	892,560
Loans payable		324,199		-		324,199
	\$	1,216,759	\$	-	\$	1,216,759

Foreign Exchange Risk

Foreign exchange risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because they are denominated in currencies that differ from the respective functional currency. Foreign exchange risk is assessed as low.

Interest Rate Risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's loans payable bears a fix interest rate. Interest rate risk is assessed as low.

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11. FINANCIAL INSTRUMENTS (continued)

Fair Value Measurements

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:

Level 1 - Unadjusted quoted prices in active markets for identical assets or liabilities;

Level 2 - Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly; and

Level 3 - Inputs that are not based on observable market data.

The fair value of cash is determined based on "Level 1" inputs, which consist of quoted prices in active markets for identical assets. As at September 30, 2023, the Company believes that the carrying values of accounts payable and loans payable approximate fair value because of their nature and relatively short maturity dates or durations.

Assets measured at fair value on a recurring basis were presented on the Company's consolidated interim statement of financial position as of September 30, 2023 as follows:

	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$
Cash	15,045	-	-	15,045

Assets measured at fair value on a recurring basis were presented on the Company's consolidated statement of financial position as of June 30, 2023 as follows:

	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$
Cash	16,613	-	-	16,613

12. COMMITMENTS

The Company is committed to the site leases for the surface rights owners of the Provost Property. The site leases are renewed on an annual basis. A minimum lease payment of \$2,004 per year is required if the site is not constructed and \$13,067 per year if the sites are constructed. The required payment for 2023 was not made as of September 30, 2023.

13. CANCELLED ACQUISITION

On January 28, 2022, the Company signed a definitive share purchase agreement with Hong Kong International Mineral Exchange Ltd., pursuant to which the Company will acquire from the vendor a 55% controlling equity interest in the shares of Allied Minerals Inc. ("Allied Minerals"), a British Columbia incorporated company.

Allied Minerals owns certain mineral interests and rights which comprise the Raft gold exploration property, located approximately 18 kilometres northeast of Clearwater, B.C., Canada.

Pursuant to the terms of the share purchase agreement and as consideration for the acquisition of the 55% controlling equity interest in the shares of Allied Minerals, the Company has agreed to pay the vendor an aggregate purchase price of \$500,000, which will be satisfied in full by the Company through

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13. CANCELLED ACQUISITION (continued)

the issuance to the vendor of an aggregate of 4,000,000 common shares in the capital of the Company at a deemed issue price per share of \$0.125. On February 2, 2023, the Company terminated the acquisition by mutual agreement of the parties.