

HUNTSMAN EXPLORATION INC.

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

THREE MONTHS ENDED NOVEMBER 30, 2023 AND 2022

(UNAUDITED – EXPRESSED IN CANADIAN DOLLARS)

NOTICE OF NO AUDITOR REVIEW OF CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

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

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

January 25, 2024

HUNTSMAN EXPLORATION INC.
Condensed Consolidated Interim Statements of Financial Position
(Expressed in Canadian Dollars)

	November 30, 2023		August 31, 2023	
	(unaudited)			
ASSETS				
Current				
Cash	\$	111,728	\$	35,728
Term deposit		17,946		17,524
Marketable securities (Note 7)		13,600		131,940
Amounts receivable		2,426		203,140
Prepaid expenses		2,164		3,790
		147,864		392,122
Exploration and evaluation assets (Notes 6 and 9)		7,500		-
	\$	155,364	\$	392,122
LIABILITIES AND SHAREHOLDERS' DEFICIT				
Liabilities				
Current				
Accounts payable and accrued liabilities (Note 9)	\$	169,735	\$	360,529
Loan payable (Note 8)		-		42,000
		169,735		402,529
Deficit				
Share capital (Note 10)		29,358,478		29,350,978
Reserves (Note 10)		2,909,991		2,909,991
Deficit		(32,056,906)		(32,044,564)
Accumulated other comprehensive loss		(225,934)		(226,812)
		(14,371)		(10,407)
	\$	155,364	\$	392,122

Going Concern (Note 2)
 Commitments (Notes 6)
 Subsequent Event (Note 15)

Authorized for issuance on behalf of the Board on January 25, 2024:

"Nathan Tribble" Director

"Jeremy Ross" Director

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

HUNTSMAN EXPLORATION INC.
Condensed Consolidated Interim Statements of Loss and Comprehensive Loss
For the Three Months Ended November 30,
(Unaudited – Expressed in Canadian Dollars)

	2023	2022
Expenses		
Consulting fees (Note 9)	\$ 18,397	\$ 38,396
Foreign exchange	15	-
General exploration (Notes 6(c), 7 and 9)	30,674	283
Management fees (Note 9)	7,500	31,558
Office and general	4,918	17,549
Professional fees	11,902	14,873
Rent (Note 9)	6,000	19,416
Shareholder communications and investor relations	1,229	2,901
Transfer agent and filing fees	2,338	3,429
Loss Before Other Items	(82,973)	(128,405)
Other Items		
Interest income	10	240
Realized gain on marketable securities (Note 7)	6,345	-
Change in fair value of marketable securities (Note 7)	64,276	-
	70,631	240
Net Loss for the Period	(12,342)	(128,165)
Other Comprehensive Loss		
Item that may be reclassified subsequently to income or loss:		
Exchange difference on translating foreign operations	878	60,009
Comprehensive Loss for the Period	\$ (11,464)	\$ (68,156)
Loss per Share – Basic and Diluted	\$ (0.00)	\$ (0.01)
Weighted Average Number of Common Shares Outstanding	15,732,982	14,996,189

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

HUNTSMAN EXPLORATION INC.
Condensed Consolidated Interim Statements of Changes in Shareholders' Equity (Deficit)
(Unaudited – Expressed in Canadian Dollars)

	Share Capital		Shares Issuable	Reserves	Deficit	Accumulated Other Comprehensive Income (Loss)	Total
	Number of Shares	Share Capital					
Balance, August 31, 2022	14,424,740	\$ 28,635,978	\$ 715,000	\$ 2,909,991	\$ (25,103,066)	\$ (227,891)	\$ 6,930,012
Shares issued for PieCo acquisition (Note 6(c))	1,300,000	715,000	(715,000)	-	-	-	-
Net loss for the period	-	-	-	-	(128,165)	-	(128,165)
Exchange difference on translating foreign operations	-	-	-	-	-	60,009	60,009
Balance, November 30, 2022	15,724,740	29,350,978	-	2,909,991	(25,231,231)	(167,882)	6,861,856
Net loss for the period	-	-	-	-	(6,813,333)	-	(6,813,333)
Exchange difference on translating foreign operations	-	-	-	-	-	(58,930)	(58,930)
Balance, August 31, 2023	15,724,740	29,350,978	-	2,909,991	(32,044,564)	(226,812)	(10,407)
Shares issued for PieCo acquisition (Note 6(c))	250,000	7,500	-	-	-	-	7,500
Net loss for the period	-	-	-	-	(12,342)	-	(12,342)
Exchange difference on translating foreign operations	-	-	-	-	-	878	878
Balance, November 30, 2023	15,974,740	\$ 29,358,478	\$ -	\$ 2,909,991	\$ (32,056,906)	\$ (225,934)	\$ (14,371)

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

HUNTSMAN EXPLORATION INC.
Condensed Consolidated Interim Statements of Cash Flows
For the Three Months Ended November 30,
(Unaudited – Expressed in Canadian Dollars)

	2023	2022
Operating Activities		
Net loss for the period	\$ (12,342)	\$ (128,165)
Items not involving cash		
Foreign exchange gain	(806)	(3,010)
Realized gain on marketable securities	(6,345)	-
Change in fair value of marketable securities	(64,276)	-
Changes in non-cash working capital balances		
Amounts receivable	714	9,847
Prepaid expenses	1,626	2,516
Accounts payable and accrued liabilities	(147,449)	94,225
Cash Used in Operating Activities	(228,878)	(24,587)
Investing Activities		
Proceeds on sale of marketable securities	189,123	-
Exploration and evaluation asset expenditures	(43,345)	(43,244)
Proceeds on sale of exploration and evaluation assets	200,000	-
Cash Provided by (Used in) Investing Activities	345,778	(43,244)
Financing Activity		
Repayment of loan payable	(42,000)	-
Cash Used in Financing Activity	(42,000)	-
Change in Cash	74,900	(67,831)
Effect of Exchange Rates on Cash	1,100	(131)
Cash, Beginning of Period	35,728	191,069
Cash, End of Period	\$ 111,728	\$ 123,107

Supplemental Disclosure with Respect to Cash Flows (Note 13)

HUNTSMAN EXPLORATION INC.
Notes to the Condensed Consolidated Interim Financial Statements
For the Three Months Ended November 30, 2023 and 2022
(Unaudited – Expressed in Canadian Dollars)

1. NATURE OF OPERATIONS

Huntsman Exploration Inc. (the “Company”) is an exploration stage company incorporated pursuant to the British Columbia *Business Corporations Act* on March 31, 2011. The principal business of the Company is the acquisition, exploration and evaluation of mineral properties. The Company’s shares are listed for trading on the TSX Venture Exchange (“TSX-V”) under the symbol “HMAN” and quoted on the US OTC Markets under the symbol “BBBMF”. The address of the Company’s corporate office and its principal place of business is 1680 – 200 Burrard Street, Vancouver, British Columbia, Canada, V6C 3L6.

On March 10, 2023, the Company consolidated its common shares on the basis of one new share for ten old shares. For all periods presented, common shares, warrants, stock options and any amounts for those instruments that are stated on a per-unit basis have been adjusted for the 10-for-1 share consolidation.

2. GOING CONCERN

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

The Company has incurred a net loss of \$12,342 for the three months ended November 30, 2023 and has a working capital deficit of \$21,871 and an accumulated deficit of \$32,056,906 at November 30, 2023. The Company’s ability to continue its operations and to realize assets at their carrying values is dependent upon its ability to fund its existing acquisition and exploration commitments on its exploration and evaluation assets when they come due, which would cease to exist if the Company decides to terminate its commitments, and to cover its operating costs. The Company may be able to generate working capital to fund its operations by the sale of its exploration and evaluation assets or raising additional capital through equity markets. However, there is no assurance it will be able to raise funds in the future. These conditions indicate the existence of a material uncertainty that may cast significant doubt on the Company’s ability to continue as a going concern.

These condensed consolidated interim financial statements do not give effect to any adjustments 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 the accompanying condensed consolidated interim financial statements.

3. BASIS OF PRESENTATION

a) Statement of compliance

The condensed consolidated interim financial statements of the Company have been prepared in accordance with International Accounting Standard (“IAS”) 34 *Interim Financial Reporting*.

The condensed consolidated interim financial statements of the Company should be read in conjunction with the Company’s 2023 annual consolidated financial statements that have been prepared in accordance with International Financial Reporting Standards (“IFRS”), as issued by the International Accounting Standards Board (“IASB”).

These condensed consolidated interim financial statements were reviewed by the Audit Committee and approved and authorized for issue by the Board of Directors on January 25, 2024.

HUNTSMAN EXPLORATION INC.
Notes to the Condensed Consolidated Interim Financial Statements
For the Three Months Ended November 30, 2023 and 2022
(Unaudited – Expressed in Canadian Dollars)

3. BASIS OF PRESENTATION (Continued)

b) Measurement basis

These condensed consolidated interim financial statements have been prepared under the historical cost basis, except for certain financial instruments that have been measured at fair value. These condensed consolidated interim financial statements have been prepared under the accrual basis of accounting, except for cash flow information.

c) Consolidation

These condensed consolidated interim financial statements include all subsidiaries for the periods presented. Intercompany balances and transactions are eliminated. These subsidiaries are listed as follows:

Subsidiary	Ownership November 30, 2023	Ownership August 31, 2023	Incorporated	Nature
BlueBird Battery Metals Australia Pty. Ltd.	100%	100%	Australia	Mineral exploration
Huntsman Exploration USA Inc.	100%	100%	USA	Mineral exploration
PieCo Metals Pty. Ltd. ("PieCo")	100%	100%	Australia	Mineral exploration

Control exists over an entity when the Company is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the condensed consolidated interim financial statements from the date that control commences until the date that control ceases.

4. SIGNIFICANT ACCOUNTING POLICIES

The condensed consolidated interim financial statements have been prepared, for all periods presented, following the same accounting policies and methods of computation as described in note 4 to the audited consolidated financial statements for the year ended August 31, 2023, except for the following:

a) Disclosure of Accounting Policies (Amendments to IAS 1 *Presentation of Financial Statements*)

These amendments continue the IASB's clarifications on applying the concept of materiality. These amendments help companies provide useful accounting policy disclosures, and they include: requiring companies to disclose their material accounting policies instead of their significant accounting policies; clarifying that accounting policies related to immaterial transactions, other events or conditions are themselves immaterial and do not need to be disclosed; and clarifying that not all accounting policies that relate to material transactions, other events or conditions are themselves material.

These amendments were adopted beginning September 1, 2023. These amendments have reduced the disclosure of accounting policies for the Company.

HUNTSMAN EXPLORATION INC.
Notes to the Condensed Consolidated Interim Financial Statements
For the Three Months Ended November 30, 2023 and 2022
(Unaudited – Expressed in Canadian Dollars)

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

- b) Deferred Tax Related to Assets and Liabilities Arising from a Single Transaction (Amendments to IAS 12 *Income Taxes*)

These amendments clarify accounting for deferred taxes on transactions such as leases and decommissioning obligations. They narrow the scope of the initial recognition exemption so that it does not apply to transactions that give rise to equal and offsetting temporary differences.

These amendments were adopted beginning September 1, 2023. These amendments did not have any material impact for the Company.

- c) Classification of Liabilities as Current or Non-current (Amendments to IAS 1 *Presentation of Financial Statements*)

These amendments to IAS 1 clarify the criteria for the classification of a liability as either current or non-current, based on rights that exist at the end of the reporting period. They further clarify that expectations about whether that right will be exercised are not relevant in the classification assessment.

These amendments were adopted beginning September 1, 2023. These amendments did not have any material impact for the Company.

5. ACCOUNTING ESTIMATES AND JUDGMENTS

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

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

Judgments in applying accounting policies

Information about critical judgments in applying accounting policies that have the most significant risk of causing material adjustment to the carrying amounts of assets and liabilities recognized in the condensed consolidated interim financial statements within the next financial year are discussed below.

- a) Impairment of exploration and evaluation assets

The application of the Company's accounting policy for exploration and evaluation expenditures and impairment of the capitalized expenditures requires judgment in determining whether it is likely that future economic benefits will flow to the Company, which may be based on assumptions about future events or circumstances. Estimates and assumptions made may change if new information becomes available. These include whether the Company has the right to explore, whether substantive expenditures are budgeted or planned, commercial viability of the mineral resources and other considerations.

5. ACCOUNTING ESTIMATES AND JUDGMENTS (Continued)

b) Business combinations

Judgment is used in determining whether an acquisition is a business combination or an asset acquisition. In a business combination, all identifiable assets, liabilities and contingent liabilities acquired or assumed are recorded at their fair values. In determining the allocation of the purchase price in a business combination, including any acquisition related contingent consideration, estimates, including market based and appraisal values, are used. The contingent consideration is measured at its acquisition date fair value and included as part of the consideration transferred in a business combination. Contingent consideration that is classified as equity is not remeasured at subsequent reporting dates and its subsequent settlement is accounted for within equity.

c) Share-based payments

The Company's determination that the fair value of exploration and evaluation assets acquired cannot be reasonably determined. As a result, the value of the common shares of the Company issued must be used.

HUNTSMAN EXPLORATION INC.
Notes to the Condensed Consolidated Interim Financial Statements
For the Three Months Ended November 30, 2023 and 2022
(Unaudited – Expressed in Canadian Dollars)

6. EXPLORATION AND EVALUATION ASSETS

Total costs incurred on exploration and evaluation assets are summarized as follows:

	Legear Property	Canegrass Property	Julimar Property	Total
Acquisition Costs				
Balance, August 31, 2022	\$ -	\$ 1,895,929	\$ 2,173,045	\$ 4,068,974
Claim costs	-	8,076	71,710	79,786
Recovery of acquisition costs	-	(347,453)	-	(347,453)
Impairment	-	(1,556,744)	(2,246,688)	(3,803,432)
Currency translation difference	-	192	1,933	2,125
Balance, August 31, 2023	-	-	-	-
Acquisition and option payments	7,500	-	-	7,500
Balance, November 30, 2023	\$ 7,500	\$ -	\$ -	\$ 7,500
Deferred Exploration Expenditures				
Balance, August 31, 2022	\$ -	\$ 2,884,433	\$ -	\$ 2,884,433
Drilling	-	10,255	-	10,255
Geological	-	19,943	-	19,943
Impairment	-	(2,917,107)	-	(2,917,107)
Currency translation difference	-	2,476	-	2,476
Balance, August 31, 2023 and November 30, 2023	\$ -	\$ -	\$ -	\$ -
Total Exploration and Evaluation Assets				
Balance, August 31, 2023	\$ -	\$ -	\$ -	\$ -
Balance, November 30, 2023	\$ 7,500	\$ -	\$ -	\$ 7,500

HUNTSMAN EXPLORATION INC.
Notes to the Condensed Consolidated Interim Financial Statements
For the Three Months Ended November 30, 2023 and 2022
(Unaudited – Expressed in Canadian Dollars)

6. EXPLORATION AND EVALUATION ASSETS (Continued)

a) Baxter Spring Property

On August 26, 2020, and as amended September 22, 2021, the Company entered into an option agreement to acquire a 100% interest in the Baxter Spring Property, located in Nevada, from Liberty Gold Corp. (“Liberty”) and Liberty’s wholly owned subsidiary, Pilot Gold (USA) Inc.

In consideration, the Company made payments as follows:

- Cash payment of US\$250,000 (paid);
- An additional cash payment of US\$250,000 (paid) on or before May 31, 2022; and
- Issuance of common shares of the Company equal to 19.5% of the outstanding shares (issued 1,498,689 shares measured at \$3,821,657).

The property is subject to a 2% net smelter return royalty (“NSR”) and Liberty retained a back-in right to acquire a 35% interest in the property within three years upon payment of the sum of US\$1,000,000 to the Company.

The Company recorded impairment charges in the amount of \$4,581,904 to fully impair the property during the year ended August 31, 2022, as substantive expenditure for the exploration and evaluation asset was neither budgeted nor planned. The Company retained ownership of the Baxter Spring Property until the three months ended November 30, 2023, when it completed the sale of its interest.

b) Canegrass Property

On March 15, 2018, the Company entered into an option agreement with Trafalgar Resources Pty. Ltd. (“Trafalgar”) to acquire a 100% interest in the Canegrass Property, located in the Mount Magnet region of Western Australia.

In consideration, the Company made payments as follows:

- Cash payment of \$25,000 (paid) and issuance of 150,000 common shares of the Company (issued and measured at \$870,000) upon approval by the TSX-V (approval received on March 21, 2018);
- Issuance of an additional 93,750 common shares of the Company on or before March 21, 2019 (issued and measured at \$553,125); and
- Issuance of an additional 93,750 common shares of the Company on or before March 21, 2020 (issued and measured at \$131,250).

The Company was required to incur exploration expenditures as follows:

- \$500,000 on or before March 21, 2019 (incurred);
- An additional \$500,000 on or before March 21, 2020 (incurred); and
- An additional \$500,000 on or before March 21, 2021 (incurred).

A finder’s fee of 13,053 common shares (issued and measured at \$75,707) was paid in relation to the Canegrass Property. Subject to further TSX-V approval, a discovery bonus of 75,000 common shares of the Company will be issued in the event of discovery of a copper/cobalt equivalent resource of 250,000 ounces or greater on the Canegrass Property. During the year ended August 31, 2021, the Company fulfilled its purchase obligations on the property to earn a 100% interest in the Canegrass Property.

The Company also paid a \$25,000 letter of intent fee to Trafalgar during the year ended August 31, 2018.

HUNTSMAN EXPLORATION INC.
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(Unaudited – Expressed in Canadian Dollars)

6. EXPLORATION AND EVALUATION ASSETS (Continued)

b) Canegrass Property (continued)

On April 3, 2023, the Company closed the sale of the lithium and other pegmatite-related metal rights on the Canegrass Property for consideration of \$32,386 (£20,000) and 50,000,000 shares of Corcel PLC (“Corcel”) measured at \$315,067.

The Company recorded impairment charges in the amount of \$4,473,851 during the year ended August 31, 2023, as substantive expenditure for the exploration and evaluation asset was neither budgeted nor planned. The Company retains ownership of the Canegrass Property, subject to the rights previously sold.

c) Julimar Property

On April 26, 2022, the Company closed its acquisition of all of the issued and outstanding shares of PieCo, a private company with a portfolio of projects within the Julimar province of Western Australia.

The Company incurred a non-refundable option fee of \$26,964 (AUD30,000) to the vendors for the option (included in exploration and evaluation assets). Total consideration includes 3,900,000 common shares issued to the shareholders of PieCo as follows:

- 1,300,000 common shares on closing of the acquisition (issued and measured at \$715,000);
- 1,300,000 common shares within nine months of closing of the acquisition (issued and measured at \$715,000); and
- 1,300,000 common shares within one year of closing of the acquisition (issued in 2023 and measured at \$715,000). The common shares were accrued on April 26, 2022 and determined to be equity instruments. The common shares were not subsequently remeasured.

The vendors retain a 1.5% NSR on the projects held by PieCo.

The acquisition of PieCo has been accounted for as an acquisition of assets and assumption of liabilities, as PieCo does not meet the definition of a business under IFRS 3 *Business Combinations*. The acquisition of the net assets of PieCo was recorded at the fair value of the consideration transferred of \$2,145,000 and the value of the option fee of AUD30,000, of which \$2,144,911 was allocated to the mineral property as detailed above. The net assets acquired consisted substantially of exploration and evaluation assets.

The Company recorded impairment charges in the amount of \$2,246,688 during the year ended August 31, 2023, as substantive expenditure for the exploration and evaluation asset was neither budgeted nor planned. The Company retains ownership of the Julimar Property.

d) Legear Property

On November 3, 2023, the Company entered into an option agreement to acquire a 100% interest in the Legear Property located in Ontario. Under the terms of the agreement the Company is required to make payments as follows:

- Issuance of 250,000 common shares of the Company upon approval by the TSX-V (issued and measured at \$7,500);
- Issuance of an additional 500,000 common shares of the Company on or before May 24, 2024; and
- Issuance of an additional 500,000 common shares of the Company and a cash payment of \$20,000 on or before November 24, 2024.

HUNTSMAN EXPLORATION INC.
Notes to the Condensed Consolidated Interim Financial Statements
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(Unaudited – Expressed in Canadian Dollars)

6. EXPLORATION AND EVALUATION ASSETS (Continued)

d) Legear Property (continued)

The vendor retains a 2% NSR royalty, of which one-half (1%) may be repurchased by the Company for \$500,000.

7. MARKETABLE SECURITIES

During the year ended August 31, 2023, the Company received 80,000 shares of Lion Rock Resources Inc. ("Lion Rock") from the previous sale of the Maybrun Property. The Company recorded a recovery of general exploration of \$25,000. A loss on marketable securities of \$800 (year ended August 31, 2023 - \$10,600) was recorded during the three months ended November 30, 2023. At November 30, 2023, the fair value of the 80,000 Lion Rock shares was \$13,600 (August 31, 2023 - \$14,400).

During the year ended August 31, 2023, the Company received 50,000,000 shares of Corcel from the sale of lithium and other pegmatite-related metal rights on the Canegrass property (Note 6(b)). The Company recorded a recovery of exploration and evaluation assets of \$315,067. The Company sold 29,740,000 (year ended August 31, 2023 - 20,260,000) Corcel shares and recorded a gain on marketable securities of \$6,345 (year ended August 31, 2023 - loss of \$16,983) during the three months ended November 30, 2023. At November 30, 2023, the Company did not have any Corcel shares remaining (August 31, 2023 – 29,740,000 Corcel shares with a market value of \$117,540).

	2023	2022
Opening	\$ 131,940	\$ -
Receipt of Corcel shares	-	315,067
Receipt of Lion Rock shares	-	25,000
Sale of Corcel shares	(189,123)	(110,682)
Realized gain (loss) on marketable securities	6,345	(16,983)
Change in fair value of marketable securities	64,276	(77,323)
Cumulative translation difference	162	(3,139)
Closing	\$ 13,600	\$ 131,940

8. LOAN PAYABLE

On May 12, 2023, the Company issued a demand loan with fair value of \$42,000 from a shareholder of the Company. The amount is unsecured, non-interest-bearing and is due on demand. On September 13, 2023, the loan was repaid.

HUNTSMAN EXPLORATION INC.
Notes to the Condensed Consolidated Interim Financial Statements
For the Three Months Ended November 30, 2023 and 2022
(Unaudited – Expressed in Canadian Dollars)

9. RELATED PARTY BALANCES AND TRANSACTIONS

A party is related to the Company if they have control or joint control over the Company, have significant influence over the Company or are a member of the Company’s key management personnel. The Company has determined that the key management personnel includes directors and officers of the Company, including the chief executive officer, president and chief financial officer. These amounts of key management compensation are included in the amounts shown in profit or loss for the three months ended November 30, 2023 and 2022:

	Three Months Ended November 30, 2023	Three Months Ended November 30, 2022
Consulting fees	\$ 3,000	\$ -
Management fees	7,500	31,558
Total	\$ 10,500	\$ 31,558

During the three months ended November 30, 2023, the Company also paid or accrued:

- \$6,000 (2022 - \$15,000) in rent to a company with a common officer; and
- \$nil (2022 - \$283) in exploration and evaluation asset expenditures to a private company for a director’s services.

As at November 30, 2023, included in accounts payable and accrued liabilities is \$27,780 (August 31, 2023 - \$141,876) due to companies controlled by directors for outstanding consulting fees. The amounts are unsecured, non-interest-bearing and due on demand.

10. SHARE CAPITAL

a) Authorized

The Company is authorized to issue an unlimited number of common shares without par value.

b) Issued and outstanding

During the three months ended November 30, 2023

- On November 27, 2023, the Company issued 250,000 common shares measured at \$7,500 for the option agreement on the Legear Property (Note 6(d)).

During the year ended August 31, 2023

- On October 21, 2022, the Company issued 1,300,000 common shares measured at \$715,000 for the acquisition of PieCo and the Julimar Property (Note 6(c)).

HUNTSMAN EXPLORATION INC.
Notes to the Condensed Consolidated Interim Financial Statements
For the Three Months Ended November 30, 2023 and 2022
(Unaudited – Expressed in Canadian Dollars)

10. SHARE CAPITAL (Continued)

c) Warrants

Warrant transactions and the number of warrants outstanding for the three months ended November 30, 2023 and year ended August 31, 2023 are summarized as follows:

	November 30, 2023		August 31, 2023	
	Number of Warrants	Weighted Average Exercise Price	Number of Warrants	Weighted Average Exercise Price
Outstanding, beginning of period	3,117,845	\$ 3.50	3,117,845	\$ 3.50
Expired	(3,117,845)	\$ 3.50	-	-
Outstanding, end of period	-	-	3,117,845	\$ 3.50

The Company applies the fair value method using the Black-Scholes option pricing model in accounting for its finders' warrants granted. During the three months ended November 30, 2023 and year ended August 31, 2023, the Company did not grant any finders' warrants.

d) Stock options

The Company adopted a stock option plan (the "Plan") to grant incentive stock options to directors, officers, employees and consultants. Under the Plan, the aggregate number of common shares that may be subject to option at any one time may not exceed 10% of the issued common shares of the Company as of that date, including options granted prior to the adoption of the Plan. Options granted may not exceed a term of 10 years, and the term will be reduced to one year following the date of death of the optionee. All options vest when granted unless they are otherwise specified by the Board of Directors or if they are granted for investor relations activities. Options granted for investor relations activities vest over a twelve-month period with no more than 25% of the options vesting in any three-month period.

The following is a summary of option transactions under the Company's Plan for the three months ended November 30, 2023 and year ended August 31, 2023:

	November 30, 2023		August 31, 2023	
	Number of Options	Weighted Average Exercise Price	Number of Options	Weighted Average Exercise Price
Outstanding, beginning of period	832,500	\$ 1.25	1,029,900	\$ 1.30
Expired	(450,000)	\$ 0.78	(197,400)	\$ 1.47
Outstanding, end of period	382,500	\$ 1.79	832,500	\$ 1.25

HUNTSMAN EXPLORATION INC.
Notes to the Condensed Consolidated Interim Financial Statements
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(Unaudited – Expressed in Canadian Dollars)

10. SHARE CAPITAL (Continued)

d) Stock options (continued)

The following options were outstanding and exercisable at November 30, 2023:

Expiry Date	Weighted Average Remaining Contractual Life in Years	Exercise Price	Outstanding	Exercisable
January 8, 2024*	0.11	\$ 2.50	205,000	205,000
February 26, 2024	0.24	\$ 2.50	27,500	27,500
December 3, 2024	1.01	\$ 0.70	150,000	150,000
	0.47		382,500	382,500

* See Note 15

11. FINANCIAL INSTRUMENTS

The Company's financial instruments include cash, term deposit, marketable securities, amounts receivable, and accounts payable and accrued liabilities. Cash, term deposit and marketable securities are classified as fair value through profit or loss. Amounts receivable are classified as amortized cost. Accounts payable and accrued liabilities is classified as measured at amortized cost. The carrying values of these instruments approximate their fair values due to the relatively short periods to maturity.

The following table sets forth the Company's financial assets measured at fair value on a recurring basis by level within the fair value hierarchy as follows:

November 30, 2023	Level 1	Level 2	Level 3	Total
Cash	\$ 111,728	\$ -	\$ -	\$ 111,728
Term deposit	17,946	-	-	17,946
Marketable securities	13,600	-	-	13,600
	\$ 143,274	\$ -	\$ -	\$ 143,274
August 31, 2023	Level 1	Level 2	Level 3	Total
Cash	\$ 35,728	\$ -	\$ -	\$ 35,728
Term deposit	17,524	-	-	17,524
Marketable securities	131,940	-	-	131,940
	\$ 185,192	\$ -	\$ -	\$ 185,192

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11. FINANCIAL INSTRUMENTS (Continued)

Financial risk management objectives and policies

The risks associated with these financial instruments and the policies on how these risks are mitigated are set out below. Management manages and monitors these exposures to ensure appropriate measures are implemented in a timely and effective manner.

a) 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 financial instruments that potentially subject the Company to concentrations of credit risk consist principally of cash, term deposit and amounts receivable. To minimize the credit risk on cash and term deposit, the Company places the instruments with major Canadian and Australian financial institutions. The maximum amount of credit risk is equal to the carrying value of cash, term deposit and amounts receivable. The Company's management of credit risk has not changed materially from that of the year ended August 31, 2023.

b) Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. The Company manages liquidity risk by maintaining a balance between continuity of funding and 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. As at November 30, 2023, the Company had contractual obligations consisting of accounts payable and accrued liabilities of \$169,735, due within the next 12 months. At November 30, 2023, the Company's cash was insufficient to cover its current liabilities. All of the liabilities presented as accounts payable are due within 30 days of the reporting date. The Company's management of liquidity risk has not changed materially from that of the year ended August 31, 2023.

c) Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market prices and comprises: currency risk, interest rate risk and other price risk. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return on capital. The Company's management of market risk has not changed materially from that of the year ended August 31, 2023.

i) *Currency risk* – Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in foreign exchange rates. The Company has operations in Canada, the USA and Australia, and incurs operating and exploration expenditures in all currencies. The fluctuation of the Canadian dollar in relation to the Australian dollar will have an impact upon the results of the Company. A fluctuation in the exchange rate between the Canadian and Australian dollars of 10% would result in a change to the Company's profit and loss of \$3,800. The fluctuation of the Canadian dollar in relation to the US dollar would not have any material impact upon the results of the Company. The Company does not use any techniques to mitigate currency risk.

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11. FINANCIAL INSTRUMENTS (Continued)

c) Market risk (continued)

ii) *Interest rate risk* – Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market interest rates. The Company is exposed to interest rate risk on the variable rate of interest earned on cash. The fair value interest rate risk on cash is immaterial, as the deposits are short-term. The Company has not entered into any derivative instruments to manage interest rate fluctuations. The Company has no interest-bearing financial liabilities.

iii) *Other price risk* – Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer by factors affecting all similar financial instruments traded in the market. The Company is exposed to other price risk on its marketable securities. A fluctuation in the trading price of the marketable securities of 10% would result in a \$1,400 change in the Company's profit and loss.

12. MANAGEMENT OF CAPITAL

The Company considers its capital to be comprised of equity, which totaled a deficit of \$14,371 at November 30, 2023 (August 31, 2023 - \$10,407).

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 new shares. Although the Company has been successful at raising funds in the past through the issuance of share capital, it is uncertain whether it will continue this method of financing due to the current difficult market conditions.

In order to facilitate the management of its capital requirements, the Company prepares expenditure budgets that are updated as necessary depending on various factors, including successful capital deployment and general industry conditions.

Management reviews the capital structure on a regular basis to ensure that the above objectives are met. There have been no changes to the Company's approach to capital management during the three months ended November 30, 2023. The Company is not subject to externally imposed capital requirements.

13. SUPPLEMENTAL DISCLOSURE WITH RESPECT TO CASH FLOWS

	Three Months Ended November 30, 2023	Three Months Ended November 30, 2022
Non-cash Transactions and Supplemental Disclosures		
Interest paid	\$ -	\$ -
Income taxes paid	\$ -	\$ -
Increase (decrease) in exploration and evaluation assets in accounts payable and accrued liabilities	\$ (43,345)	\$ 3,487

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14. SEGMENTED INFORMATION

The Company operates in one operating segment, being the exploration for and evaluation of mineral resource properties, within three geographical locations. Geographical information related to the Company's non-current assets is as follows:

	November 30, 2023	August 31, 2023
Exploration and evaluation assets – Canada	\$ 7,500	\$ -

15. SUBSEQUENT EVENT

Subsequent to November 30, 2023, 205,000 stock options expired unexercised.