

CARSON RIVER VENTURES CORP.

INTERIM CONDENSED FINANCIAL STATEMENTS

March 31, 2022

(Expressed in Canadian dollars)

NOTICE TO READER

The accompanying unaudited interim condensed financial statements for Carson River Ventures Corp. (the “Company”) have been prepared by management in accordance with International Accounting Standards 34 – Interim Financial Reporting using accounting policies consistent with International Financial Reporting Standards appropriate in the circumstances.

These unaudited interim condensed financial statements, which are the responsibility of management, have not been reviewed by the Company’s auditors.

Management believes these unaudited interim condensed financial statements present fairly, in all material respects, the financial position of the Company as at March 31, 2022 and September 30, 2021, and the results of its operations and its cash flows for the six months ended March 31, 2022.

CARSON RIVER VENTURES CORP.
CONDENSED STATEMENTS OF FINANCIAL POSITION

| (Expressed in Canadian dollars) | Note | March 31 2022 | September 30 2021 |
|---|------|------------------|----------------------|
| | | \$ | \$ |
| ASSETS | | | |
| CURRENT ASSETS | | | |
| Cash | | 355,164 | 295,531 |
| Share subscription receivable | 5 | - | 128,000 |
| Receivable | | 2,604 | - |
| Deposit | | 3,258 | 7,858 |
| | | <u>361,025</u> | <u>431,389</u> |
| Exploration and evaluation assets | 4 | 36,568 | 24,068 |
| TOTAL ASSETS | | <u>397,593</u> | <u>455,457</u> |
| LIABILITIES | | | |
| CURRENT LIABILITIES | | | |
| Accounts payable and accrued liabilities | 6 | 10,254 | 6,837 |
| Due to related parties | 7 | 500 | 8,000 |
| | | <u>10,754</u> | <u>14,837</u> |
| SHAREHOLDERS' EQUITY | | | |
| Share capital | 5 | 548,230 | 495,500 |
| Contributed surplus | 5 | - | 40,480 |
| Deficit | | (161,391) | (95,360) |
| | | <u>386,839</u> | <u>440,620</u> |
| TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY | | <u>397,593</u> | <u>455,457</u> |

NATURE AND CONTINUANCE OF OPERATIONS (NOTE 1)

Approved on Behalf of the Board:

"Christopher J. Hobbs"

Director, Christopher J. Hobbs

"Jeffrey Cocks"

Director, Jeffrey Cocks

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

CARSON RIVER VENTURES CORP.
CONDENSED INTERIM STATEMENT OF COMPREHENSIVE LOSS
Three and six months ended March 31, 2022

| (Unaudited - Expressed in Canadian dollars) | Note | Three months ended | | Six months ended | |
|--|------|--------------------|-------------------|-------------------|-------------------|
| | | March 31, 2022 | March 31, 2021 | March 31, 2022 | March 31, 2021 |
| | | \$ | \$ | \$ | \$ |
| ADMINISTRATIVE EXPENSES | | | | | |
| Transfer agent and filing fees | | 15,224 | - | 35,496 | - |
| Professional fees | | 14,630 | - | 14,630 | - |
| Office and administration | | 8,384 | 211 | 15,905 | 211 |
| NET AND COMPREHENSIVE LOSS | | (38,238) | (211) | (66,031) | (211) |
| LOSS PER SHARE - BASIC AND DILUTED | | (0.00) | (0.00) | (0.01) | (0.00) |
| WEIGHTED AVERAGE COMMON SHARES | | | | | |
| OUTSTANDING - BASIC AND FULLY DILUTED | | 8,695,000 | 147,887 | 8,695,000 | 147,887 |

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

CARSON RIVER VENTURES CORP.
CONDENSED INTERIM STATEMENT OF CASH FLOWS
Six months ended March 31, 2022

| (Unaudited - Expressed in Canadian dollars) | Note | Six months ended | |
|---|------|-------------------|-------------------|
| | | March 31, 2022 | March 31, 2021 |
| | | \$ | \$ |
| Cash flow provided by (used in) | | | |
| Operating activities | | | |
| Net loss for the period | | (66,031) | 211 |
| Changes in non-cash operating working capital items | | | |
| Deposits | | 4,600 | - |
| Share subscription receivable | | 128,000 | - |
| Receivable | | (2,604) | 500 |
| Due to related parties | | (7,500) | - |
| Accounts payable and accrued liabilities | | 3,417 | - |
| | | 59,883 | 711 |
| Financing activities | | | |
| Private placement | | - | 2,625 |
| Special warrants returned for cancellation | | (250) | - |
| | | (250) | 2,625 |
| Increase (decrease) in cash | | 59,633 | 3,336 |
| Cash, beginning | | 295,531 | - |
| Cash, ending | | 355,164 | 3,336 |

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

CARSON RIVER VENTURES CORP.
CONDENSED INTERIM STATEMENT OF COMPREHENSIVE LOSS
Three and six months ended March 31, 2022

| (Unaudited - Expressed in Canadian dollars) | Note | Three months ended | | Six months ended | |
|--|------|--------------------|-------------------|-------------------|-------------------|
| | | March 31, 2022 | March 31, 2021 | March 31, 2022 | March 31, 2021 |
| | | \$ | \$ | \$ | \$ |
| ADMINISTRATIVE EXPENSES | | | | | |
| Transfer agent and filing fees | | 15,224 | - | 35,496 | - |
| Professional fees | | 14,630 | - | 14,630 | - |
| Office and administration | | 8,384 | 211 | 15,905 | 211 |
| NET AND COMPREHENSIVE LOSS | | (38,238) | (211) | (66,031) | (211) |
| LOSS PER SHARE - BASIC AND DILUTED | | (0.00) | (0.00) | (0.01) | (0.00) |
| WEIGHTED AVERAGE COMMON SHARES | | | | | |
| OUTSTANDING - BASIC AND FULLY DILUTED | | 8,695,000 | 147,887 | 8,695,000 | 147,887 |

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

CARSON RIVER VENTURES CORP.
CONDENSED INTERIM STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
Period ended March 31, 2022

| | Common Shares | | Special Warrants | Deficit | Total |
|---|---------------|---------------|------------------|-----------|----------|
| | Number | Share Capital | | | |
| (Unaudited - Expressed in Canadian dollars) | | | | | |
| | | \$ | \$ | \$ | \$ |
| Balance at January 19, 2021 | - | - | - | - | - |
| Shares issued on private placement | 525,000 | 2,625 | - | - | 2,625 |
| Net loss for the period | - | - | - | (211) | (211) |
| Balance, March 31, 2021 | 525,000 | 2,625 | - | (211) | 2,414 |
| Balance September 30, 2021 | 7,330,000 | 495,500 | 40,480 | (95,360) | 440,620 |
| Special Warrants returned for cancellation | - | - | (250) | - | (250) |
| Conversion of Special Warrants | 1,115,000 | 40,230 | (40,230) | - | - |
| Shares issued for property acquisition | 250,000 | 12,500 | - | - | 12,500 |
| Net loss for the period | - | - | - | (66,031) | (66,031) |
| Balance, March 31, 2022 | 8,695,000 | 548,230 | - | (161,391) | 386,839 |

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

Carson River Ventures Corp.
Notes to Interim Condensed Financial Statements
March 31, 2022
(Expressed in Canadian dollars)

1. Nature and Continuance of Operations

Carson River Ventures Corp. (the “Company”) was incorporated on January 19, 2021, under the laws of the province of British Columbia. The Company’s principal activity is the acquisition and exploration of exploration and evaluation assets. Effective February 7, 2022, the Company’s shares began trading on the Canadian Securities Exchange (“CSE”) under the symbol “CRIV”. The head office, principal address and the registered and records office of the Company are located at Suite 820 - 1130 West Pender Street Vancouver, B.C. V6E 4A4.

On March 11, 2020, the World Health Organization declared COVID-19 a global pandemic. This contagious disease outbreak and any related adverse public health developments, has adversely affected workforces, economies, and financial markets globally, leading to an economic downturn. The impact on the Company is not currently determinable, but management continues to monitor the situation.

For the six months ended March 31, 2022, the Company had a comprehensive loss of \$66,031 and has a deficit of \$161,391. These interim condensed financial statements have been prepared using International Financial Reporting Standards (“IFRS”) applicable to a going concern, which assume 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. Different bases of measurement may be appropriate if the Company is not expected to continue operations for the foreseeable future. As at March 31, 2022, the Company had not advanced its exploration and evaluation assets to commercial production and is not able to finance day to day activities through operations. The Company’s continuation as a going concern is dependent upon the successful results from its exploration activities on its exploration and evaluation assets and its ability to attain profitable operations and generate funds there from and/or raise equity capital to meet current and future obligations. 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. Management intends to finance operating costs over the next twelve months with the private placement of common shares.

2. Statement of Compliance

These interim condensed financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”) applicable to the preparation of interim financial statements, including IAS 34, Interim Financial Reporting. The interim condensed financial statements should be read in conjunction with the annual financial statements for the year ended September 30, 2021, which have been prepared in accordance with IFRS as issued by the IASB.

The Company uses the same accounting policies and methods of computation as in the annual financial statements for the year ended September 30, 2021. The preparation of interim financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

These interim condensed financial statements were approved by the board of directors for issue on May 27, 2022.

Carson River Ventures Corp.
Notes to Interim Condensed Financial Statements
March 31, 2022
(Expressed in Canadian dollars)

3. Significant Accounting Policies

Basis of measurement

The financial statements have been prepared on an accrual basis, except for cash flow information, and are based on historical costs, except for certain financial instruments, which are measured at fair value. The financial statements are presented in Canadian Dollars, which is also the functional currency of the Company.

Loss per share

Basic loss per share is computed by dividing the loss attributable to the common shareholders by the weighted average number of common shares outstanding during the period. For the period presented, the loss attributable to common shareholders equals the reported loss attributable to the owners of the Company. Diluted loss per share is calculated by the treasury stock method. Under the treasury stock method, the weighted average number of common shares outstanding for the calculation of diluted loss per share assumes that the proceeds to be received on the exercise of dilutive share options and warrants are used to repurchase common shares at the average market price during the period. Because the Company incurred net losses, the effect of dilutive instruments would be anti-dilutive and therefore diluted loss per share equals basic loss per share.

Foreign currency

The Financial Statements are presented in Canadian dollars, which is the functional currency of the Company. Transactions in currencies other than the functional currency are translated into Canadian dollars on the following basis:

- Monetary assets and liabilities at the rate of exchange in effect at the statement of financial position date;
- Non-monetary assets and liabilities at the rates of exchange in effect on the respective dates of transactions; and,
- Revenues and expenses (excluding depreciation, which is translated at the same rate as the related asset), at the exchange rates in effect on the date of the transaction.

Gains and losses arising from this translation of foreign currency are included in the determination of net loss.

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 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.

Carson River Ventures Corp.
Notes to Interim Condensed Financial Statements
March 31, 2022
(Expressed in Canadian dollars)

3. Significant Accounting Policies (continued)

Financial instruments (continued)

Financial assets

On initial recognition, financial assets are recognized at fair value and are subsequently classified and measured at: (i) amortized cost; (ii) fair value through other comprehensive income (“FVOCI”); or (iii) fair value through profit or loss (“FVTPL”). The classification of financial assets is generally based on the business model in which a financial asset is managed and its contractual cash flow characteristics. A financial asset is measured at fair value net of transaction costs that are directly attributable to its acquisition except for financial assets at FVTPL where transaction costs are expensed.

All financial assets not classified and measured at amortized cost or FVOCI are measured at FVTPL. On initial recognition of an equity instrument that is not held for trading, the Company may irrevocably elect to present subsequent changes in the investment’s fair value in other comprehensive income.

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.

The classification determines the method by which the financial assets are carried on the statement of financial position subsequent to inception and how changes in value are recorded. Cash is measured at FVTPL.

Impairment of financial assets

IFRS 9 uses the expected credit loss (“ECL”) model. The credit loss model groups receivables based on similar credit risk characteristics and days past due in order to estimate bad debts. The ECL model applies to the Company’s receivables.

An ‘expected credit loss’ impairment model applies which requires a loss allowance to be recognized based on expected credit losses. The estimated present value of future cash flows associated with the asset is determined and an impairment loss is recognized for the difference between this amount and the carrying amount as follows: the carrying amount of the asset is reduced to estimated present value of the future cash flows associated with the asset, discounted at the financial asset’s original effective interest rate, either directly or through the use of an allowance account and the resulting loss is recognized in profit or loss for the period.

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

Carson River Ventures Corp.
Notes to Interim Condensed Financial Statements
March 31, 2022
(Expressed in Canadian dollars)

3. Significant Accounting Policies (continued)

Financial instruments (continued)

Financial liabilities

Financial liabilities are designated as either: (i) fair value through profit or loss; or (ii) other financial liabilities. All financial liabilities are classified and subsequently measured at amortized cost except for financial liabilities at FVTPL. The classification determines the method by which the financial liabilities are carried on the statement of financial position subsequent to inception and how changes in value are recorded. Accounts payable and accrued liabilities, and related party payables are classified under other financial liabilities and carried on the statement of financial position at amortized cost.

The Company derecognizes a financial liability when its contractual obligations are discharged or cancelled, or expire. The Company also derecognizes a financial liability when the terms of the liability are modified such that the terms and / or cash flows of the modified instrument are substantially different, in which case a new financial liability based on the modified terms is recognized at fair value.

Gains and losses on derecognition are generally recognized in profit or loss. The Company does not have any derivative financial assets and liabilities.

Share-based payments

Share-based payments to employees are measured at the fair value of the instruments issued and amortized over the vesting periods. Share-based payments to non-employees are measured at the fair value of goods or services received or the fair value of the equity instruments issued, if it is determined the fair value of the goods or services cannot be reliably measured, and are recorded at the date the goods or services are received. The corresponding amount is recorded to the stock option reserve. The fair value of options is determined using a Black–Scholes pricing model. The number of shares and options expected to vest is reviewed and adjusted at the end of each reporting period such that the amount recognized for services received as consideration for the equity instruments granted shall be based on the number of equity instruments that eventually vest.

Valuation of equity units issued in private placements

The Company has adopted a residual value method with respect to the measurement of shares and warrants issued as private placement units. The residual value method first allocates value to the more easily measurable component based on fair value and then the residual value, if any, to the less easily measurable component. The fair value of common shares issued in private placements was determined to be the more easily measurable component and are valued at their fair value, as determined by the closing quoted bid price on the announcement date. The balance, if any, is allocated to attached warrants. Any fair value attributed to warrants is recorded to reserves of the issued.

Carson River Ventures Corp.
Notes to Interim Condensed Financial Statements
March 31, 2022
(Expressed in Canadian dollars)

3. Significant Accounting Policies (continued)

Exploration and evaluation assets

Costs incurred before the Company has obtained the legal rights to explore an area are expensed as incurred.

Exploration and evaluation expenditures include the costs of acquiring licenses and costs associated with exploration and evaluation activity. Option payments are considered acquisition costs provided that the Company has the intention of exercising the underlying option.

Property option agreements are exercisable entirely at the option of the optionee. Therefore, option payments (or recoveries) are recorded when payment is made (or received) and are not accrued.

Exploration and evaluation expenditures are capitalized. The Company capitalizes costs to specific blocks of claims or areas of geological interest.

Exploration and evaluation assets are tested for impairment if facts or circumstances indicate that impairment exists. Examples of such facts and circumstances are as follows:

- the period for which the Company has the right to explore in the specific area has expired during the period or will expire in the near future, and is not expected to be renewed;
- substantive expenditure on further exploration for and evaluation of mineral resources in the specific area is neither budgeted nor planned;
- exploration for and evaluation of mineral resources in the specific area have not led to the discovery of commercially viable quantities of mineral resources and the entity has decided to discontinue such activities in the specific area; and
- sufficient data exist to indicate that, although a development in the specific area is likely to proceed, the carrying amount of the exploration and evaluation asset is unlikely to be recovered in full from successful development or by sale.

After technical feasibility and commercial viability of extracting a resource are demonstrable, the Company stops capitalizing expenditures for the applicable block of claims or geological area of interest and tests the asset for impairment. The capitalized balance, net of any impairment recognized, is then reclassified to either tangible or intangible development assets according to the nature of the asset.

Carson River Ventures Corp.
Notes to Interim Condensed Financial Statements
March 31, 2022
(Expressed in Canadian dollars)

3. Significant Accounting Policies (continued)

Impairment of assets

The carrying amount of the Company's assets are reviewed at each reporting date to determine whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is estimated to determine the extent of the impairment loss. An impairment loss is recognized whenever the carrying amount of an asset or its cash generating unit exceeds its recoverable amount. Impairment losses are recognized in the statement of comprehensive loss.

The recoverable amount of assets is the greater of an asset's fair value less cost to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects the current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate cash inflows largely independent of those from other assets, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

An impairment loss is only reversed if there is an indication that the impairment loss may no longer exist and there has been a change in the estimates used to determine the recoverable amount, however, not to an amount higher than the carrying amount that would have been determined had no impairment loss been recognized in previous years. Assets that have an indefinite useful life are not subject to amortization and are tested annually for impairment.

Restoration and environmental obligations

The Company recognizes liabilities for statutory, contractual, constructive or legal obligations associated with the retirement of long-term assets, when those obligations result from the acquisition, construction, development or normal operation of the assets. The net present value of future restoration cost estimates arising from the decommissioning of plant and other site preparation work is capitalized to the related asset along with a corresponding increase in the restoration provision in the period incurred. Discount rates using a pre-tax rate that reflect the time value of money are used to calculate the net present value.

The Company's estimates of restoration costs could change as a result of changes in regulatory requirements, discount rates and assumptions regarding the amount and timing of the future expenditures. These changes are recorded directly to the related asset with a corresponding entry to the restoration provision. The Company's estimates are reviewed annually for changes in regulatory requirements, discount rates, effects of inflation and changes in estimates. These changes are recorded directly to the related asset with a corresponding entry to the provision.

Changes in the net present value, excluding changes in the Company's estimates of restoration costs, are charged to the statement of comprehensive loss for the period.

The net present value of restoration costs arising from subsequent site damage that is incurred on an ongoing basis during production are charged to the statement of comprehensive loss in the period incurred.

The costs of restoration projects that were included in the provision are recorded against the provision as incurred. The costs to prevent and control environmental impacts at specific properties are capitalized in accordance with the Company's accounting policy for exploration and evaluation assets.

Carson River Ventures Corp.
Notes to Interim Condensed Financial Statements
March 31, 2022
(Expressed in Canadian dollars)

3. Significant Accounting Policies (continued)

Income taxes

Current income tax:

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

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

Deferred income tax:

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

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

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

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred income taxes relate to the same taxable entity and the same taxation authority.

Use of estimates and judgment:

The preparation of financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the year in which the estimates are revised and in any future years affected.

Estimates and assumptions where there is significant risk of material adjustments to assets and liabilities in future accounting periods including the following:

- i) The measurement of income taxes payable and deferred tax assets and liabilities requires management to make judgments in the interpretation and application of the relevant tax laws. Deferred tax assets require management to assess the likelihood that the Company will generate taxable income in future periods in order to utilize recognized deferred tax assets.

Carson River Ventures Corp.
Notes to Interim Condensed Financial Statements
March 31, 2022
(Expressed in Canadian dollars)

3. Significant Accounting Policies (continued)

Use of estimates and judgment (continued):

- ii) Management has determined that exploration and evaluation of mineral properties and related costs incurred, which have been recognized on the statements of financial position, are economically recoverable. Management uses several criteria in its assessments of economic recoverability and probability of future economic benefit including geological data, scoping studies, accessible facilities, and existing and future permits.

The most significant judgements applying to the Company's financial statements include:

- i) The assessment of the Company's ability to continue as a going concern and whether there are events or conditions that may give rise to significant uncertainty;
- ii) the classification of financial instruments; and
- iii) the determination of the functional currency

Accounting standards issued but not yet applied

Accounting standards or amendments to existing accounting standards that have been issued but have future effective dates are either not applicable or are not expected to have a significant impact on the Company's financial statements.

4. Exploration and evaluation Assets

| | Period ended March 31, 2022 | Period ended September 30, 2021 |
|---|--|--|
| <u>Chucker Property</u> | | |
| Acquisition cost: | | |
| Balance, beginning | \$ 12,219 | \$ – |
| Cash | – | 12,219 |
| Common Shares | <u>12,500</u> | <u>–</u> |
| Balance, ending | <u>24,719</u> | <u>12,219</u> |
| Deferred exploration and evaluation: | | |
| Balance, beginning | \$ 11,849 | \$ – |
| Geological consulting | – | 11,849 |
| Balance, ending | <u>11,849</u> | <u>11,849</u> |
| Total exploration and evaluation assets | <u>\$ 36,568</u> | <u>\$ 24,068</u> |

Chucker Property

On January 20, 2021, the Company entered into an Exploration Lease with Option to Purchase Agreement, whereby the Company has been granted an exploration lease with the exclusive Option to acquire a 100% interest in the Chucker Property, subject to a 1.5% NSR, for consideration to be satisfied by a combination of cash payments and the issuance of common shares. The Chucker Property is located in the Silver Star Mining District, within Mineral County, Nevada, in the Walker Lane gold trend. The agreement has an initial term of 10 years, and the Company has the right to extend for two additional terms of 10 years each.

Carson River Ventures Corp.
Notes to Interim Condensed Financial Statements
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(Expressed in Canadian dollars)

4. Exploration and evaluation Assets (continued)

Chucker Property (continued)

In exchange for the exploration lease, the Company issued an aggregate of 250,000 Common Shares to the Optionor within five business days of the Company's commencement of trading on the CSE (issued February 14, 2022 with a deemed value of \$0.05 per common share). In addition, the Company shall pay the the sum of US\$10,000 (paid) representing the lease payment for the first year within 90 days of execution of the Exploration Lease with Option to Purchase Agreement and make annual lease payments of US\$10,000 to the optionor thereafter.

The option to acquire 100% of the Chucker Property is exercisable by the Company by making a one-time cash payment in the amount of US\$200,000.

Should the Company elect to exercise the option to purchase the Chucker Property, the annual lease payment(s) paid will not be credited against the purchase price. Further, the Company will not be obligated to pay any lease payments subsequent to the exercise and closing of the purchase of the Chucker Property from the optioner.

Upon exercise of the option and the payment of US\$200,000, the Company shall own the Chucker Property, subject to the 1.5% NSR payable to the optionor, one-half of a percent (0.5%) of the NSR may be purchased by the Company from the optionor at any time prior to commencement of commercial production for a cash payment of US\$200,000.

5. Share Capital

Authorized: An unlimited number of common shares without par value.

Issued:

On May 10, 2021, the Company issued 1,750,000 Common Shares to directors of the Company and an advisor at a price of \$0.005 per Common Share for gross proceeds of \$8,750. These shares had a fair value of \$0.05 per share and the difference of \$78,750 was recorded as share-based compensation.

On June 23, 2021, the Company completed a non-brokered private placement issuing 3,000,000 Common Shares at a price of \$0.05 per Common Share for gross proceeds of \$150,000. 300,000 of these shares were purchased by directors of the Company.

On August 23, 2021, the Company closed a crowdfunding financing utilizing a crowdfunding platform. Pursuant to the crowdfunding financing, the Company issued 920,000 Special Warrants at a price of \$0.05 for gross proceeds of \$46,000 and 200,000 Special Warrants issued on a non-cash compensatory basis. The Special Warrants automatically convert into common shares of the Company on a one- to-one basis (i) at any time, at the discretion of the Company or (ii) upon the issuance by a Canadian securities regulatory authority of a receipt for a final prospectus qualifying the issuance of the common shares upon conversion of the special warrants or (iii) on that date that is 18 months from the date of issuance of the Special Warrants. In connection with this financing, the Company incurred cash issuance costs of \$5,520.

On September 30, 2021, 2021 the Company completed a non-brokered private placement issuing 2,580,000 Common Shares at a price of \$0.10 per Common Share for gross proceeds of \$258,000, of which \$128,000 was receivable at September 30, 2021. The \$128,000 receivable balance was received subsequent to year end.

On February 7, 2022, 5,000 Special Warrants were returned for cancellation in return for the payment of \$250 representing the original subscription amount.

Carson River Ventures Corp.
Notes to Interim Condensed Financial Statements
March 31, 2022
(Expressed in Canadian dollars)

5. Share Capital (continued)

On February 7, 2022, the Company's Common Shares began trading on the CSE, as per the terms of the Special Warrants, the remaining Special Warrants automatically converted into common shares of the Company on a one-to-one basis.

6. Accounts payable and accrued liabilities

| | March 31, 2022 | September 30, 2021 |
|----------------|-------------------|-----------------------|
| Trade payables | \$ 10,524 | \$ 6,837 |
| | \$ 10,524 | \$ 6,837 |

7. Related Party Transactions

The following amounts were due to related parties as at March 31, 2022:

| | March 31, 2022 | September 30, 2021 |
|---|-------------------|-----------------------|
| Companies controlled by a director of the Company | \$ 500 | \$ 8,000 |
| | \$ 500 | \$ 8,000 |

The Company has identified its directors and certain senior officers as its key management personnel. The remuneration of the Company's directors and other key management was nil for the period ended March 31, 2022.

8. Financial Instruments and Financial Risk Management

Financial risk management

The Company is exposed in varying degrees to a variety of financial instrument related risks. The Board of Directors approves and monitors the risk management processes, inclusive of documented investment policies, counterparty limits, and controlling and reporting structures. 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 that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Company's primary exposure to credit risk is on its cash held in bank accounts. The majority of cash is deposited in bank accounts held with major banks in Canada. As most of the Company's cash is held by one bank there is a concentration of credit risk. This risk is managed by using a major bank that is a high credit quality financial institution as determined by rating agencies.

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 has a planning and budgeting process in place to help determine the funds required to support the Company's normal operating requirements on an ongoing basis. The Company ensures that there are sufficient funds to meet its short-term business requirements, taking into account its anticipated cash flows from operations and its holdings of cash. Historically, the Company's sole source of funding has been the issuance of equity securities for cash, primarily through private placements. The Company's access to financing is always uncertain. There can be no assurance of continued access to significant equity funding.

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8. Financial Instruments and Financial Risk Management (continued)

Financial risk management (continued)

Currency risk

Currency risk is the risk that the fair values of future cash flows of a financial instrument will fluctuate because they are denominated in currencies that differ from the respective functional currency. At March 31, 2022, the Company had only \$5,343 of its financial assets denominated in US dollars, as such the Company is not exposed to significant interest rate risk.

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 is not exposed to significant interest rate risk.

Fair value

The fair value of the Company's financial assets and liabilities approximates their carrying amount due to their short terms of maturity. 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 Company's financial instruments classified as level 1 include cash.

9. Capital Management

The Company manages its capital, consisting of share and working capital, in a manner consistent with the risk characteristic of the assets it holds. All sources of financing are analyzed by management and approved by the Board of Directors. The Company's objectives when managing capital is to safeguard the Company's ability to continue as a going concern and to support the exploration and development of its exploration and evaluation assets and to sustain future development of its business. The Company is meeting its objective of managing capital through preparing short-term and long-term cash flow analysis to ensure an adequate amount of liquidity. The Company is not subject to any externally imposed capital restrictions.