

CARSON RIVER VENTURES CORP.

FINANCIAL STATEMENTS

YEAR ENDED SEPTEMBER 30, 2023

(Expressed in Canadian dollars)



DALE MATHESON CARR-HILTON LABONTE LLP
CHARTERED PROFESSIONAL ACCOUNTANTS

Independent Auditor's Report

To the Shareholders of Carson River Ventures Corp.

Opinion

We have audited the financial statements of Carson River Ventures Corp. (the "Company"), which comprise the statements of financial position as at September 30, 2023 and 2022, and the statements of comprehensive loss, cash flows and changes in shareholders' equity for the years then ended, and notes to the financial statements, including a summary of material accounting policy information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at September 30, 2023 and 2022, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

We draw attention to Note 1 to the financial statements, which indicates that the Company is not able to finance day to day activities through operations and has accumulated losses of \$689,939. As stated in Note 1, these events or conditions, along with other matters as set forth in Note 1, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters, that in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

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Except for the matter described in the Material Uncertainty Related to Going Concern section, we have determined that there are no other key audit matters to communicate in our report.

Other Information

Management is responsible for the other information. The other information comprises the information included in Management's Discussion and Analysis.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

We obtained Management's Discussion and Analysis prior to the date of this auditor's report. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Matthew Gosden.

A handwritten signature in black ink that reads "DMCL." The letters are stylized and connected.

DALE MATHESON CARR-HILTON LABONTE LLP
CHARTERED PROFESSIONAL ACCOUNTANTS
Vancouver, BC

January 25, 2024

CARSON RIVER VENTURES CORP.

STATEMENTS OF FINANCIAL POSITION (Expressed in Canadian Dollars)

	Note	September 30, 2023	September 30, 2022
Assets			
Current Assets:			
Cash		\$ 834,738	\$ 673,389
Amounts receivable		3,482	-
		838,220	673,389
Non-current Assets:			
Exploration and evaluation assets	4	165,653	138,719
		\$ 1,003,873	\$ 812,108
Liabilities and Shareholders' Equity			
Current Liabilities:			
Accounts payable and accrued liabilities	6	\$ 61,195	\$ 110,772
Related party payable	7	30,500	10,500
		91,695	121,272
Shareholders' Equity:			
Share capital	5	1,602,117	963,229
Reserve	5	-	-
Deficit		(689,939)	(272,393)
		912,178	690,836
		\$ 1,003,873	\$ 812,108

Nature and continuance of operations (Note 1)
Subsequent event (Note 12)

Approved on behalf of the Board of Directors

"Jeffrey Cocks"

Director

"Christopher Hobbs"

Director

The accompanying notes are an integral part of these financial statements

CARSON RIVER VENTURES CORP.

STATEMENTS OF COMPREHENSIVE LOSS (Expressed in Canadian Dollars)

		For the year ended September 30,	
	Note	2023	2022
Expenses:			
Audit and accounting		\$ 30,146	\$ 11,121
Consulting fees	7	95,981	25,000
Management fees	7	95,000	64,875
Office and administration		68,239	24,808
Professional fees		1,605	9,565
Transfer agent and filing fees		17,209	41,826
Loss before other items		(308,180)	(177,195)
Foreign exchange gain		(102)	162
Impairment of acquisition payment	8	(109,264)	-
Net and comprehensive loss for the year		\$ (417,546)	\$ (177,033)
Loss per share – basic and diluted		\$ (0.02)	\$ (0.02)
Weighted average number of common shares outstanding – basic and diluted		22,359,384	9,358,503

The accompanying notes are an integral part of these financial statements

CARSON RIVER VENTURES CORP.
STATEMENTS OF CASH FLOWS
(Presented in Canadian Dollars)

	For the year ended September 30,	
	2023	2022
Cash flows used in operating activities		
Net loss for the year	\$ (417,546)	\$ (177,033)
Adjustments for non-cash items:		
Foreign exchange	(22)	-
Impairment of acquisition payment	109,264	-
Changes in working capital items:		
Amounts receivable	(3,482)	-
Prepaid expenses	-	7,858
Accounts payable and accrued liabilities	45,900	1,784
Due to related parties	20,000	2,500
	(245,886)	(164,891)
Cash flows used in investing activities		
Exploration and evaluation expenditures	(122,389)	-
Cash paid for acquisition	(109,264)	-
	(231,653)	-
Cash flows provided by financing activities		
Private placement - common shares	638,888	415,000
Subscriptions received	-	128,000
Special warrants returned for cancellation	-	(251)
	638,888	542,749
Increase in cash	161,349	377,858
Cash, beginning	673,389	295,531
Cash, ending	\$ 834,738	\$ 673,389
Non-cash investment activities		
Shares issued for exploration and evaluation properties	\$ -	\$ 12,500
Exploration expenditures included in payables and accrued liabilities	\$ 13,533	\$ 108,988

The accompanying notes are an integral part of these financial statements

CARSON RIVER VENTURES CORP.
STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
(Presented in Canadian Dollars)

	Number of Common Shares	Share Capital	Special Warrants	Deficit	Total Equity
Balance at September 30, 2021	7,330,000	\$ 495,500	\$ 40,480	\$ (95,360)	\$ 440,620
Shares issued on exercise of warrants	1,115,000	40,229	(40,229)	-	-
Shares issued for exploration property	250,000	12,500	-	-	12,500
Shares issued on private placements	8,300,000	415,000	-	-	415,000
Special warrants returned for cancellation	-	-	(251)	-	(251)
Net loss for the year	-	-	-	(177,033)	(177,033)
Balance at September 30, 2022	16,995,000	963,229	-	(272,393)	690,836
Shares issued on private placements	10,900,000	638,888	-	-	638,888
Shares issued for acquisition	4,000,000	200,000	-	-	200,000
Shares returned to treasury	(4,000,000)	(200,000)	-	-	(200,000)
Net Loss for the year	-	-	-	(417,546)	(417,546)
Balance at September 30, 2023	27,895,000	\$ 1,602,117	\$ -	\$ (689,939)	\$ 912,178

The accompanying notes are an integral part of these financial statements

CARSON RIVER VENTURES CORP.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2023
(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 identification, exploration and evaluation, as well as exploration of mineral properties once acquired. On February 7, 2022, the Company’s common shares commenced trading on the Canadian Securities Exchange (the “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.

These 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 basis of measurement may be appropriate if the Company is not expected to continue operations for the foreseeable future. This could have a material impact on the Company’s financial statements. As at September 30, 2023, 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 and has accumulated losses of \$689,939. 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.

2. Statement of Compliance

The financial statements of the Company have been prepared in accordance with IFRS as issued by the International Accounting Standards Board (“IASB”) and interpretations of the International Financial Reporting Interpretations Committee (“IFRIC”). The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented, unless otherwise stated.

These financial statements were approved by the board of directors for issue on January 25, 2024.

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 that 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 all periods 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;

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- 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 into 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.

The following table shows the classification of financial assets and financial liabilities under IFRS 9:

Financial assets/liabilities	Classification
Cash	FVTPL
Amounts receivable	FVTPL
Accounts payable	Amortized cost
Related party payable	Amortized cost

Financial assets

On initial recognition, financial assets are recognized at fair value and are subsequently classified and measured at: (i) amortized cost; (ii) FVTOCI; or (iii) 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 FVTOCI 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

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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.

Financial liabilities

Financial liabilities are designated as either: (i) FVTPL; 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 consolidated statement of financial position subsequent to inception and how changes in value are recorded. Accounts payable and due to related parties 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 reserves. 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 was 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.

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;

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- 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.

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 consolidated statement of loss and 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 loss and 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 consolidated statement of loss and 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.

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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.

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;
- iii) the determination of the functional currency; and
- iv) whether there are indicators of impairment of the Company's exploration and evaluation assets

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4. Exploration and Evaluation Assets

Chucker Property	Year ended September 30,	
	2023	2022
Acquisition costs, beginning	\$ 38,426	\$ 12,219
Annual lease	13,533	13,707
Shares issued for property	-	12,500
Acquisition costs, ending	51,959	38,426
Deferred exploration and evaluation, beginning	100,293	11,849
Geologist, claim maintenance, and assay fees	13,401	88,444
Deferred exploration and evaluation, ending	113,694	100,293
Total exploration and evaluation assets	\$ 165,653	\$ 138,719

Chucker Property

On January 20, 2021, the Company entered into an Exploration Lease with Option to Purchase Agreement, whereby the Company was 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.

In exchange for the exploration lease, the Company agreed to issue an aggregate of 250,000 Common Shares to the optionor within five business days of the Company's commencement of trading on the CSE. On February 14, 2022, the Company issued an aggregate of 250,000 Common Shares to the optionor with a fair value of \$0.05 per common share. In addition, the Company agreed to pay the sum of \$12,219 (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 payments 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 optionor.

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, 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:

Shares issued during the year ended September 30, 2023

On August 1, 2023, the Company completed a non-brokered private placement (the "Private Placement") by issuing an aggregate of 10,900,000 units (the "Units") at a price of \$0.06 per Unit for gross proceeds of \$654,000. Each Unit is comprised of one common share in the capital of the Company (the "Share") and one-half of a non-transferable Share purchase warrant, whereby each whole warrant (the "Warrant") entitles the holder to purchase one additional Share for a period of 24 months from the date of issuance at an

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exercise price of \$0.10 per additional Share. \$Nil was allocated to the warrants based on the residual method. In connection with the closing of the Private Placement, the Company paid \$13,866 in cash finder's fees and further \$1,246 in share issuance costs. No securities were issued to any finders in connection with the Private Placement.

On November 4, 2022, the Company issued 4,000,000 common shares with a fair value of \$0.05 per share as the payment for the acquisition of Novo Lithium Argentina, SRL, pursuant to the November 4, 2022, purchase and sale agreement (the "Novo Agreement") to acquire Novo Lithium Argentina, SRL, an Argentina corporation that held six mining concessions (the "Novo Properties") in the province of Catamarca, Argentina (Note 8).

On September 29, 2023, the Company terminated the Novo Agreement as the Company and the shareholders of Novo were unable to complete certain closing conditions of the Novo Agreement, including the transfer of the equity ownership of Novo to the Company. In exchange for the mutual agreement to terminate the Novo Agreement, the shareholders of Novo returned the 4,000,000 common shares to the Company that were issued on November 4, 2022. These shares were cancelled.

Shares issued during the year ended September 30, 2022

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

On February 7, 2022, the Company's Common Shares began trading on the CSE, as per the terms of the Special Warrants, the remaining 1,115,000 Special Warrants automatically converted into common shares of the Company on a one-to-one basis.

On August 12, 2022, the Company completed a non-brokered private placement issuing 8,300,000 Common Shares at a price of \$0.05 per Common Share for gross proceeds of \$415,000. Each unit consisted of one common share in the capital of the Company and one half of one Common Share purchase warrant. Each full warrant entitles the holder thereof to acquire one additional Common Share at an exercise price of \$0.10 per share expiring on August 12, 2025. \$Nil was allocated to the warrants based on the residual method.

Warrants

A summary of the changes in share-purchase warrants outstanding is as follows:

	Year ended September 30, 2023		Year ended September 30, 2022	
	Warrants outstanding	Weighted average exercise price	Warrants outstanding	Weighted average exercise price
Outstanding, beginning	4,150,000	\$ 0.10	1,115,000	\$ 0.10
Warrants issued	5,450,000	\$ 0.10	4,150,000	\$ 0.10
Special warrants exercised	-	-	(1,115,000)	\$ 0.10
Outstanding, ending	9,600,000	\$ 0.10	4,150,000	\$ 0.10

Share-purchase warrants at September 30, 2023, are as follows:

Outstanding and exercisable	Exercise price	Expiry date	Remaining life (years)
4,150,000	\$0.10	August 12, 2025	1.87
5,450,000	\$0.10	August 1, 2025	1.84
9,600,000	\$0.10		1.85

At September 30, 2023, the remaining contractual life of the outstanding share-purchase warrants was 1.85 years.

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Reserve

The reserve records items recognized as share-based compensation expense and other share-based payments until such time that the share purchase options or warrants are exercised, at which time the corresponding amount will be transferred to share capital.

6. Accounts payable and accrued liabilities

Accounts payable and accrued liabilities consisted of the following:

	September 30, 2023	September 30, 2022
Accounts payable	\$ 32,662	\$ -
Accrued liabilities	28,533	110,772
Total accounts payable and accrued liabilities	\$ 61,195	\$ 110,772

7. Related Party Transactions

Related parties include the directors, officers, key management personnel, close family members and entities controlled by these individuals. Key management personnel are those having authority and responsibility for planning, directing and controlling the activities of the Company as a whole.

The following amounts were due to related parties as at September 30, 2023 and September 30, 2022:

	September 30, 2023	September 30, 2022
Amount due to the CEO and director of the Company	\$ 15,500	\$ 5,500
Amount due to the CFO and director of the Company	15,000	5,000
	\$30,500	\$10,500

Key management compensation for the years ended September 30, 2023 and 2022 consisted of the following:

During the year ended September 30, 2023, \$45,000 in management fees was accrued or paid to a company controlled by a director and officer of the Company (September 30, 2022 - \$30,000).

During the year ended September 30, 2023, \$50,000 in management fees was accrued or paid to the CFO of the Company (September 30, 2022 - \$30,000).

During the year ended September 30, 2023, \$15,000 in consulting fees was paid to a related party of the Company (September 30, 2022 - \$25,000, which were paid to a company controlled by related party of the Company).

8. Impairment of Acquisition Payment

On November 4, 2022, the Company entered into a purchase and sale agreement (the "Novo Agreement") to acquire Novo Lithium Argentina, SRL, an Argentina corporation that held six mining concessions (the "Novo Properties") in the province of Catamarca, Argentina. Pursuant to the Novo Agreement, the Company was to acquire 100% equity interest in Novo and the Novo Properties under the terms of a Novo Agreement with five individuals for a purchase price of \$285,000 (the "Consideration"), payable by \$85,000 in cash and the issuance of 4,000,000 common shares of the Company.

During the quarter ended September 30, 2023, the Company determined that the shareholders of Novo were unable to complete the transfer of the equity ownership of Novo to the Company, and therefore on September 29, 2023, the Novo Agreement was terminated.

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In exchange for the mutual agreement to terminate the Novo Agreement, the shareholders of Novo returned to the Company the 4,000,000 common shares that were issued on November 4, 2022, and the Company did not seek repayment of the cash payment made on initial acquisition, being \$85,000, as well as an additional cash advance of \$24,264. The termination of the Novo Agreement resulted in \$109,264 loss on impairment of acquisition for the year ended September 30, 2023.

9. 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 major bank that are rated high credit quality financial institutions 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.

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 September 30, 2023, the Company had \$5,286 of its financial assets denominated in US dollars, as such the Company is not exposed to significant currency 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.

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10. 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. There were no changes in the Company's approach to capital management during the year.

11. Income Taxes

The income tax provisions differ from the expected amounts calculated by applying Canadian combined federal and provincial corporate income tax rates to the Company's loss before income taxes. The components of these differences are as follows:

	2023	September 30, 2022
Loss before income taxes	\$ (417,546)	\$ (177,033)
Corporate tax rate	27%	27%
Expected tax recovery	(112,737)	(47,799)
Non-deductible expenditures	10,708	-
Change in unrecognized deferred assets	102,029	47,799
Income tax recovery	\$ -	\$ -

The Company's tax-effected deferred income tax assets and liabilities are estimated as follows:

	2023	September 30, 2022
Non-capital losses available	\$ 137,184	\$ 52,872
Share issuance costs	3,950	902
Capital losses available	14,751	-
	155,885	53,774
Unrecognized deferred tax asset	(155,885)	(53,774)
	\$ -	\$ -

The Company has approximately \$508,089 of non-capital losses which can be applied to reduce future taxable income, expiring in between 2041 and 2043, and \$109,264 of capital losses that may be carried forward indefinitely. Tax attributes are subject to review, and potential adjustment, by tax authorities.

12. Subsequent Event

On December 11, 2023, the Company entered into a purchase agreement (the "Purchase Agreement") to acquire all of the issued and outstanding common shares of 2514870 Alberta Ltd. ("Novcorp") (the "Transaction"). If completed, the Transaction will constitute a "reverse takeover transaction" of the Company pursuant to the policies of the CSE, requiring approval from the CSE. The resulting issuer that will exist upon completion of the Transaction (the "Resulting Issuer"), which is expected to close in the second quarter of the Company's Fiscal 2024 year, will carry on the current business of Novcorp.

Novcorp, owns 100% of the voting and substantially all of the equity interests of Novcorp Inc., a company existing under the Canada Business Corporations Act, which through its wholly owned subsidiary Novcorp SARLU, is a licensed and regulated trader of ethically sourced tin ore with operations in the Democratic Republic of Congo (the "DRC"). The head office of Novcorp is located in Toronto, Canada, while its

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operating subsidiary Novcorp SARLU is based in Kinshasa, DRC and is licensed to trade tin, tantalum and tungsten throughout the DRC.

Under the terms of the Purchase Agreement, the Company will complete a 1 for 3 share consolidation prior to completion of the Transaction, reducing its issued and outstanding common shares from 27,895,000 to approximately 9,298,333 common shares. the Company will acquire all of the issued and outstanding common shares of Novcorp in consideration for the issuance of 78,250,010 common shares of the Company (the "Consideration Shares"), 37,900,000 share purchase warrants of the Company at an exercise price between \$0.15 and \$0.40 per common share (the "Consideration Warrants") and 7,400,000 stock options of the Company at an exercise price of \$0.15 per common share (the "Consideration Options"), all on a post-consolidation basis. It is expected that on completion of the Transaction, the Company will have 87,548,343 common shares outstanding, of which 78,250,010, or 89.4%, will be held by current Novcorp shareholders, and approximately 9,298,333, or 10.6%, will be held by existing the Company shareholders.

In connection with the Transaction, the Company and Novcorp entered into a credit facility for the provision of a \$400,000 bridge loan to Novcorp, which will be used for working capital purposes while the Transaction is ongoing. The loan bears interest at 10% per annum, matures in 12 months, is secured against Novcorp and guaranteed by its subsidiaries; upon closing of the Transaction, the loan would be collapsed on consolidation.

The Transaction is subject to customary closing conditions, including regulatory approvals and the receipt of required approvals from the Company's shareholders.