CARMANAH MINERALS CORP.

CONDENSED INTERIM FINANCIAL STATEMENTS

FOR THE THREE AND NINE MONTHS ENDED FEBRUARY 28, 2022

(EXPRESSED IN CANADIAN DOLLARS)

(UNAUDITED)

CARMANAH MINERALS CORP.

CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION

(Unaudited, Expressed in Canadian Dollars)

	Note	As at February 28, 2022	As at May 31, 2021
		$	**$**
ASSETS			
Current Assets			
Cash		7,996	71,774
Prepaid		10,000	5,001
Receivables	5	856	12,661
		18,852	89,436
Exploration and evaluation asset	6	40,000	40,000
TOTAL ASSETS		58,852	129,436
LIABILITIES AND SHAREHOLDERS' EQUITY			
Current Liabilities			
Trade payables and accrued liabilities	7, 10	27,964	59,493
Liabilities		27,964	59,493
Shareholders' Equity			
Share capital	8	90,002	90,002
Reserves	9	2,600	-
Deficit		(61,714)	(20,059)
		30,888	69,943
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		58,852	129,436

Nature of operations and going concern (note 1)
Subsequent events (note 12)

Approved on behalf of the Board of Directors

_____"Jonathan Yan"_____ Director

_____"Yee Lun Wang"_____ Director

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

CARMANAH MINERALS CORP.

CONDENSED INTERIM STATEMENT OF COMPREHENSIVE LOSS

(Unaudited, Expressed in Canadian Dollars)

		For the Three Months ended		For the Nine Months ended	
	Note	February 28, 2022	February 28, 2021	February 28, 2022	February 28, 2021
		$	$	$	$
OPERATING EXPENSES					
Consulting fees		3,150	-	3,150	-
Exploration and evaluation	11	-	-	10,636	-
Filing fees		16,572	-	16,572	-
Office and other		335	351	1,037	365
Management fees	10	1,500	1,500	4,500	1,500
Professional fees	10	-	208	3,160	208
Share based payments	9	2,600	-	2,600	-
		24,157	2,059	41,655	2,073
NET COMPREHENSIVE LOSS		(24,157)	(2,059)	(41,655)	(2,073)
BASIC AND DILUTED LOSS PER SHARE		(0.00)	(0.02)	(0.00)	(0.02)
WEIGHTED AVERAGE COMMON SHARES OUTSTANDING		5,100,051	88,101	4,950,461	88,101

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

CARMANAH MINERALS CORP.
CONDENSED INTERIM STATEMENT OF CHANGES IN SHAREHOLDERS’ EQUITY
(Unaudited, Expressed in Canadian Dollars)

	Common Shares				
	Number of shares	**Amount**	**Reserves**	**Accumulated Deficit**	**Total**
		$	**$**	**$**	**$**
Balance at October 30, 2020	**-**	**-**	**-**	**-**	**-**
Incorporation share	1	1	-	-	1
Shares issued for cash	5,100,050	90,001	-	-	90,001
Comprehensive loss	-	-	-	(20,059)	(20,059)
Balance at May 31, 2021	**5,100,051**	**90,002**	**-**	**(20,059)**	**69,943**
Share based payments	-	-	2,600	-	2,600
Comprehensive loss	-	-	-	(41,655)	(41,655)
Balance at February 28, 2022	**5,100,051**	**90,002**	**2,600**	**(61,174)**	**30,888**

CARMANAH MINERALS CORP.

CONDENSED INTERIM STATEMENT OF CASH FLOWS

(Unaudited, Expressed in Canadian Dollars)

	For the Nine Months Ended	
	February 28, 2022	February 28, 2021
	$	$
OPERATING ACTIVITIES		
Net comprehensive loss	(41,655)	-
Adjustments for items not affecting cash		
Share based payment	2,600	-
Change in non-cash working capital items		
Prepaid expenses	(4,999)	-
Other receivables	11,805	-
Trade payables and accrued liabilities	(31,529)	-
Cash used in operating activities	(63,778)	-
Change in cash during the period	(63,778)	-
Cash – beginning of period	71,774	-
Cash – end of period	7,996	-

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

1. NATURE OF OPERATIONS AND GOING CONCERN

Carmanah Minerals Corp. (“Carmanah” or the “Company”) was incorporated on October 30, 2020 under the British Columbia Corporations Act of the Province of British Columbia.

The address of the Company and the registered and records office is 2600 - 1066 West Hastings Street, Vancouver, British Columbia V6E 3X1.

The Company is in the exploration stage and its principal business activity is the exploration and evaluation of mineral properties in Canada. The Company is in the process of exploring and evaluating its mineral properties and has not yet determined whether these properties contain reserves that are economically recoverable. As at February 28, 2022, the Company has not yet determined whether its interest in the mineral property contains ore reserves that are economically recoverable. The recoverability of amounts shown for exploration and evaluation assets is dependent upon the discovery of economically recoverable reserves, confirmation of the Company’s interest in the underlying mineral claims, the ability of the Company to obtain the necessary financing to complete the development of and future profitable production from the properties or realizing proceeds from their disposition.

The Company’s financial statements for the nine months ended February 28, 2022 has been prepared on a going concern basis, which contemplates the realization of assets and settlement of liabilities and commitments in the normal course of business. For the nine months ended February 28, 2022, the Company incurred a net comprehensive loss of $41,655. As at February 28, 2022, it had an accumulated deficit of $61,174 which has been funded by the issuance of equity. The Company’s ability to continue its operations and to realize its assets at their carrying values are dependent upon obtaining additional financing sufficient to cover its operating costs.

Although management is currently seeking additional sources of equity or debt financing, there is no assurance these activities will be successful. If the Company is unable to raise additional capital in the future, management expects that the Company will need to curtail operations, liquidate assets, seek additional capital on less favorable terms and/or pursue other remedial measures. Management is aware, in making its assessment, of material uncertainties related to events or conditions that may cast significant doubt upon the Company’s ability to continue as a going concern. These financial statements do not give effect to any adjustments which would be necessary should the Company be unable to continue as a going concern and therefore be 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 financial statements.

1. NATURE OF OPERATIONS AND GOING CONCERN (continued)

Statement of Compliance and Basis of Presentation

These condensed interim consolidated financial statements have been prepared in accordance with International Accounting Standard 34, Interim Financial Reporting ("IAS 34"), as issued by the IASB. Accordingly, certain information normally included in annual financial statements prepared in accordance with IFRS, as issued by the IFRS has been omitted or condensed. The unaudited condensed interim financial statements should be read in conjunction with the Corporation's audited financial statements for the period from October 30, 2020 (date of incorporation) to May 31, 2021.

The condensed interim financial statements were approved and authorized for issuance by the Board of Directors on April 28, 2022.

These financial statements have been prepared on a historical cost basis, modified where applicable. In addition, these financial statements have been prepared using the accrual basis of accounting except for cash flow information.

The functional and presentation currency of the Company is the Canadian dollar.

2. SIGNIFICANT ACCOUNTING POLICIES

The Company's accounting policies are the same as those applied in the Company financial statements for the period from October 30, 2020 (date of incorporation) to May 31, 2021.

3. SIGNIFICANT ACCOUNTING JUDGMENTS AND ESTIMATES

The preparation of the Company's financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the reported amounts of assets, liabilities and contingent liabilities at the date of the consolidated financial statements and reported amounts of income and expenses during the reporting period. Estimates and assumptions are continuously evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. However, actual outcomes can differ from these estimates.

Critical Judgments

The following are critical judgments that management has made in the process of applying policies that have the most significant effect on the amount recognized in the financial statements:

<u>Going Concern</u>

The assessment of the Company's ability to continue as a going concern involves critical judgment based on historical experience. Significant judgements are used in the Company's assessment of its ability to continue as a going concern which is described in Note 1.

(Expressed in Canadian Dollars)

4. ACCOUNTING PRONOUNCEMENTS ISSUED BUT NOT YET EFFECTIVE

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

5. RECEIVABLES

	February 28, 2022	May 31, 2021
	$	$
Subscriptions receivable	-	12,500
GST receivables	856	161
	856	**12,661**

Subscriptions receivable consist of shares issued, but cash not yet received. During the nine months ended February 28, 2022, the Company has received the $12,500.

6. EXPLORATION AND EVALUATION ASSET

<u>Loljuh Project</u>

On February 16, 2021, the Company entered into a property option agreement to acquire 100% of the interest of the Loljuh Property from Fred Antonio Tejada (the "Optionor"). The property is located in Northern British Columbia.

As part of the agreement, the Company is required to make cash payments and make exploration expenditures as follows:

Payment period	Expenditures	Cash Payments
On execution of the Option Agreement ("Closing Date")	Nil	$40,000 (paid)
On or before 18 months following the Closing Date	Nil	$40,000
On or before 30 months following the Closing Date	$100,000	$40,000
On or before 42 months following the Closing Date	$200,000	$60,000
On or before 54 months following the Closing Date	$300,000	$60,000
On or before 66 months following the Closing Date	$400,000	$60,000
TOTAL	**$1,000,000**	**$300,000**

(Expressed in Canadian Dollars)

6. EXPLORATION AND EVALUATION ASSET (continued)

Upon the Company delivering the Optionor a notice confirming the satisfaction of $1,000,000 of expenditures and $300,000 payment, the Company has 90 days to pay the Optionor a further $1,500,000 to acquire 100% of the earned interest of the Loljuh Property. The Company may elect to satisfy up to 50% ($750,000) of the option exercise in the issuance of common shares of the Company at a deemed price equal to the market price of the time of the issuance.

The Loljuh Property has a 2% Net Smelter Royalty ("NSR") that can be acquired for a payment of $2,000,000

7. TRADE PAYABLES AND ACCRUED LIABILITIES

	February 28, 2022	May 31, 2021
	$	$
Trade payables	4,854	3,383
Accrued liabilities	23,110	56,110
	27,964	**59,493**

8. SHARE CAPITAL

Authorized Share Capital

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

Issued Share Capital

On May 30, 2021, the Company issued 600,000 common shares at a price of $0.05 for` proceeds of $30,000.

On February 13, 2021, the Company issued 2,500,050 common shares at a price of $0.02 for proceeds of $50,001.

On November 30, 2020, the Company issued 2,000,000 common shares at a price of $0.005 for proceeds of $10,000 (see Note 9).

On October 30, 2020, the Company issued 1 common share at a price of $1 as an incorporation share.

9. STOCK OPTIONS

The Corporation adopted a stock option plan (the "Plan") whereby it can grant stock options to directors, officers, employees, and consultants of the Corporation. The maximum number of shares that may be reserved for issuance under the Plan is limited to 10% of the issued common shares of the Corporation at any time.

(Expressed in Canadian Dollars)

9. STOCK OPTIONS (continued)

The changes in incentive share options outstanding are summarized as follows:

	Weighted average exercise price	**Number of shares issued or issuable on exercise**
Balance – May 31, 2021	$ -	-
Stock options issued	$0.10	35,000
Balance – February 28, 2022	$0.10	35,000

On February 28, 2022, the Corporation issued 35,000 stock options to directors and officers of the Corporation. The options have an exercise price of $0.10 and expire 5 years from the grant date. The fair value of options at the date of grant was estimated using the Black-Scholes Option Pricing Model, assuming a risk-free interest rate of 1.28 % per annum, an expected life of options of 5 years, an expected volatility of 100%, and no expected dividends. The fair value of the options of $2,600 was recorded as a share-based payment expense.

	Options Outstanding			**Options Exercisable**	
Exercise Price	**Number of Shares Issuable on Exercise**	**Weighted Average Remaining Life (Years)**	**Weighted Average Exercise Price**	**Number of Shares Issuable on Exercise**	**Weighted Average Exercise Price**
$0.10	35,000	5.00	$0.10	35,000	$0.10
	35,000	5.00	$0.10	35,000	$0.10

10. RELATED PARTY TRANSACTIONS

Key management personnel include the Company's Board of Directors and members of senior management. The Company's related parties include key management personnel, and companies related by way of directors or shareholders in common. Transactions with related parties for goods and services are made on normal commercial terms.

(Expressed in Canadian Dollars)

10. RELATED PARTY TRANSACTION (continued)

The remuneration of directors and key management personnel during the nine months ended February 28, 2022 and the period from October 30, 2020 (date of incorporation) to May 31, 2021 was as follows:

	February 28, 2022	May 31, 2021
	$	$
Management	4,500	3,000
Directors	-	208
	4,500	**3,208**

As at February 28, 2022, $8,093 in accounts payable was due to related parties.

During period from October 30, 2020 (date of incorporation) to May 31, 2021, certain key management and directors of the Company subscribed to a private placement consisting of 300,000 common shares priced at $0.005 for gross proceeds of $1,500 (see Note 8).

11. EXPLORATION AND EVALUATION EXPENSES

Exploration and evaluation expenses incurred for the three and nine months ended February 28, 2022 are as follows:

	Three months ended February 28, 2022	Nine months ended February 28, 2022
	$	
Geology	-	8,272
Operating	-	2,364
Total	-	10,636

12. FINANCIAL INSTRUMENTS

Financial Assets and Liabilities

Information regarding the Company's financial assets and liabilities as at February 28, 2022 and May 31, 2021 is summarized as follows:

	February 28, 2022	May 31, 2021
	$	**$**
Financial Assets		
At amortized cost		
Cash	7,996	71,774
Financial Liabilities		
At amortized cost		
Trade payable and accrued liabilities	27,964	59,493

12. FINANCIAL INSTRUMENTS (continued)

Financial Instrument Risk Exposure

The fair value of financial assets and financial liabilities at amortized cost is determined in accordance with generally accepted pricing models based on discounted cash flow analysis or using prices from observable current market transactions. The Company considers that the carrying amount of all its financial assets and financial liabilities recognized at amortized cost in the financial statements approximates their fair value due to the demand nature or short-term maturity of these instruments.

The following table provides an analysis of the Company's financial instruments that are measured subsequent to initial recognition at fair value, grouped into Level 1 to 3 based on the degree to which the inputs used to determine the fair value are observable.

Level 1	fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
Level 2	fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly;
Level 3	fair value measurements are those derived from inputs that are unobservable inputs for the asset or liability.

Cash is classified as Level 1. The carrying balance of trade payables approximate their fair value due to their short-term nature.

The Company's financial instruments expose it to a variety of financial risk: market risk (including price risk and interest rate risk), credit risk and liquidity risk. These risks arise from the normal course of operations and all transactions are undertaken to support those operations. Risk management is carried out by management under policies approved by the Board of Directors. Management identifies and evaluates the financial risks in co-operation with the Company's operating units.

<u>Credit Risk</u>
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 in its cash. The Company manages credit risk on liquid financial assets through maintaining its cash with high quality financial institutions.

12. FINANCIAL INSTRUMENTS (continued)

Financial Instrument Risk Exposure (continued)

Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its obligations associated with financial liabilities. The Company has a planning and budgeting process in place by which it anticipates and determines the funds required to support its normal operating requirements.

The Company's ongoing liquidity is impacted by various external events and conditions. The Company expects to repay its financial liabilities in the normal course of operations and to fund future operations and capital requirements through operating cash flows, as well as future equity and debt financing. As at February 28, 2022, the Company had a cash balance of $7,996 to settle current liabilities of $27,964. The Company's financial liabilities include trade payables which have contractual maturities of 30 days or are due on demand.

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 exposed to interest rate risk on its cash. The interest rate risk on cash is not considered significant due to its short term nature and maturity.

13. SUBSEQUENT EVENTS

On April 5, 2022, the Company entered into an agreement with Haywood Securities Inc. (the "Agent") to complete an initial public offering ("IPO") for the issuance of a minimum 4,000,000 common shares at $0.10 per share for gross proceeds of $400,000 to a maximum 5,000,000 common shares for gross proceeds of $500,000. The Company granted the Agent an over-allotment option to increase the size of the IPO by up to 15% by giving notice at any time up to 48 hours prior to the closing of the IPO.

The Company will pay the Agent a cash commission of 10% of the gross proceeds of the IPO and will issue the Agent that number of Agent warrants which is equal to 10% of the number of common shares sold in the IPO. The Agent warrants are exercisable into common shares at $0.10 per share for up to 24 months from the date of closing of the IPO. In addition, the Company will pay the Agent a corporate finance fee of $35,000. The Company will also pay the Agent's administration fees related to the offering and reimburse the Agent for legal expenses.