



CARMANAH
MINERALS CORP

CARMANAH MINERALS CORP.

CONDENSED INTERIM FINANCIAL STATEMENTS

FOR THE THREE AND NINE MONTHS ENDED FEBRUARY 28, 2023 AND 2022

(EXPRESSED IN CANADIAN DOLLARS)

(UNAUDITED)

**NOTICE OF NO AUDITOR REVIEW OF
CONDENSED INTERIM FINANCIAL STATEMENTS**

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

The accompanying unaudited condensed interim financial statements of the Company have been prepared by and are the responsibility of the Company's management.

CARMANAH MINERALS CORP.
STATEMENTS OF FINANCIAL POSITION
(Unaudited, Expressed in Canadian Dollars)

	Note	As at February 28, 2023 \$	As at May 31, 2022 \$
ASSETS			
Current Assets			
Cash		71,661	17,425
Prepaid		20,308	10,000
Receivables	5	1,387	1,387
		18,247	
		110,216	28,812
Exploration and evaluation assets	6	181,500	40,000
TOTAL ASSETS		291,716	68,812
LIABILITIES AND SHAREHOLDERS' EQUITY			
Current Liabilities			
Trade payables and accrued liabilities	7, 11	58,800	104,467
Liabilities		58,800	104,467
Shareholders' Equity			
Share capital	8	569,358	90,002
Reserves	9, 10	149,300	10,400
Deficit		(485,742)	(136,057)
		232,916	(35,655)
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		291,716	68,812

Nature of operations and going concern (note 1)

Approved on behalf of the Board of Directors

_____"Fraser Rieche"_____
Director

_____"Jordan Smith"_____
Director

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

CARMANAH MINERALS CORP.
STATEMENTS OF COMPREHENSIVE LOSS
(Unaudited, Expressed in Canadian Dollars)

	Note	For the Three Months ended		For the Nine Months ended	
		February 28, 2023	February 28, 2022	February 28, 2023	February 28, 2022
		\$	\$	\$	\$
OPERATING EXPENSES					
Consulting fees		-	3,150	105,900	3,150
Exploration and evaluation	12	16,250	-	67,323	10,636
Filing fees		3,343	16,572	23,271	16,572
Office and other		1,010	335	14,908	1,037
Management fees	11	7,500	1,500	31,500	4,500
Professional fees	11	22,042	-	33,343	3,160
Share based payments	9	-	2,600	71,600	2,600
Travel		-	-	1,840	-
		50,145	24,157	349,685	41,655
NET COMPREHENSIVE LOSS					
		(50,145)	(24,157)	(349,685)	(41,655)
BASIC AND DILUTED LOSS PER SHARE					
		(0.00)	(0.00)	(0.03)	(0.00)
WEIGHTED AVERAGE COMMON SHARES OUTSTANDING – basic and diluted					
		11,187,000	5,100,000	10,504,000	4,950,000

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

CARMANAH MINERALS CORP.
STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
(Unaudited, Expressed in Canadian Dollars)

	Common Shares		Reserves	Accumulated Deficit	Total
	Number of shares	Amount			
		\$	\$	\$	\$
Balance at May 31, 2021	5,100,051	90,002	-	(20,059)	69,943
Comprehensive loss	-	-	-	(17,498)	(17,498)
Balance at February 28, 2022	5,100,051	90,002	-	(37,557)	52,445
Balance at May 31, 2022	5,100,051	90,002	10,400	(136,057)	(35,655)
Shares issued for cash	5,750,000	575,000	-	-	575,000
Shares issued for Loljuh Option payment	75,000	7,500	-	-	7,500
Equity issued for Walker Option payment	500,000	50,000	36,500	-	86,500
Share issuance costs	-	(153,144)	30,800	-	(122,344)
Share based payments	-	-	71,600	-	71,600
Comprehensive loss	-	-	-	(349,685)	(349,685)
Balance at February 28, 2023	11,425,051	569,358	149,300	(485,742)	232,916

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

CARMANAH MINERALS CORP.
STATEMENTS OF CASH FLOWS
(Unaudited, Expressed in Canadian Dollars)

	For the Nine Months Ended	
	February 28, 2023	February 28, 2022
	\$	\$
OPERATING ACTIVITIES		
Net loss	(349,685)	(41,655)
Adjustments for items not affecting cash		
Share based payment	71,600	2,600
Change in non-cash working capital items		
Prepaid expenses	(10,308)	(4,999)
Other receivables	(16,860)	11,805
Trade payables and accrued liabilities	(45,667)	(31,529)
Cash used in operating activities	(350,920)	(63,778)
INVESTING ACTIVITIES		
Investment in exploration and evaluation assets	(47,500)	-
Cash used in financing activities	(47,500)	-
FINANCING ACTIVITIES		
Proceeds from issuance of shares	452,656	-
Cash provided by financing activities	452,656	-
Change in cash	54,236	(63,778)
Cash – beginning	17,425	71,774
Cash – ending	71,661	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. On June 27, 2022, the Company’s shares began trading on the Canadian Securities Exchange (the “CSE”) under the symbol “CARM”.

The registered address of the Company is 1903 - 808 Nelson Street, Vancouver, British Columbia V6Z 2H2. The address of the records office is 200-3310 South Service Road, Burlington, Ontario L7N 3M6.

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, 2023, 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 three and nine months ended February 28, 2023 have 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, 2023, the Company incurred a net comprehensive loss of \$349,685. As at February 28, 2023, it had an accumulated deficit of \$485,742 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

The financial statements of the Company have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and interpretations of the International Financial Reporting Interpretations Committee ("IFRIC").

The financial statements were approved and authorized for issuance by the Board of Directors on May 1, 2023.

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 year ended May 31, 2022.

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 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:

Going Concern

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.

Exploration and Evaluation Asset

The determination whether there have been any events or changes in circumstances that indicate the impairment of its exploration and evaluation assets.

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4. ACCOUNTING PRONOUNCEMENTS ISSUED BUT NOT YET EFFECTIVE

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 condensed interim financial statements.

5. RECEIVABLES

	February 28, 2023	May 31, 2022
	\$	\$
GST receivables	18,247	1,387
	18,247	1,387

6. EXPLORATION AND EVALUATION ASSETS

	February 28, 2023	May 31, 2022
	\$	\$
Loljuh Project	80,000	40,000
Walker Creek Project	96,500	-
Hare Hill Pluton	5,000	-
	181,500	40,000

Loljuh Project

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 (paid)
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

6. EXPLORATION AND EVALUATION ASSETS (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.

The Loljuh Property has a 2% Net Smelter Royalty that can be acquired for \$2,000,000.

Walker Creek Project

On October 5, 2022, the Company entered into a property option agreement to acquire 50% interest of the Walker Creek Claims from Marvel Discovery Corp. ("Marvel"). The property is located in the Athabasca Basin, Saskatchewan.

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	\$10,000 (paid)
On or before 90 days following the Closing Date	Nil	\$40,000
On or before the first anniversary of the Closing Date	\$187,500	\$75,000
On or before the second anniversary of the Closing Date	\$375,000	\$75,000
On or before the third anniversary of the Closing Date	\$937,500	\$100,000
On or before the fourth anniversary of the Closing Date	Nil	\$100,000
TOTAL	\$1,500,000	\$400,000

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6. EXPLORATION AND EVALUATION ASSETS (CONTINUED)

In addition, the Company is required to issue common shares and share purchase warrants as follows:

Payment period	Shares	Warrants	Exercise price per Warrant
On execution of the Option Agreement ("Closing Date")	500,000 (paid)	500,000 (paid)	\$0.13
On or before the first anniversary of the Closing Date	750,000	750,000	30% premium of Market Value at the date of issuance
On or before the second anniversary of the Closing Date	750,000	750,000	30% premium of Market Value at the date of issuance
On or before the third anniversary of the Closing Date	1,000,000	1,000,000	30% premium of Market Value at the date of issuance
On or before the fourth anniversary of the Closing Date	500,000	500,000	30% premium of Market Value at the date of issuance
TOTAL	3,500,000	3,500,000	

The Walker Creek Property is subject to a 2% Net Smelter Royalty.

Hare Hill Pluton Project

On February 15, 2023, the Company entered into a property acquisition agreement to acquire a 100% interest in the Hare Hill Pluton claims from 1254883 B.C. Ltd. The property is located in Newfoundland.

Pursuant to the agreement, the Company is required to make cash payments as follows:

Payment period	Cash Payments
On execution of the Agreement Date	\$ 5,000
On or before 45 days following the Agreement Date	\$45,000
On or before the second anniversary of the Agreement Date	\$50,000
On or before the third anniversary of the Agreement Date	\$80,000
TOTAL	\$180,000

6. EXPLORATION AND EVALUATION ASSETS (CONTINUED)

In addition, the Company is required to issue common shares and share purchase warrants as follows:

Payment period	Shares	Warrants	Exercise price per Warrant
On or before 15 days of the Agreement Date	550,000	550,000	\$0.075
On or before the second anniversary of the Closing Date	650,000	650,000	25% premium of Market Value at the date of issuance
On or before the third anniversary of the Closing Date	800,000	800,000	25% premium of Market Value at the date of issuance
TOTAL	2,000,000	2,000,000	

The Hare Hill Pluton Property is subject to a 2.5% Net Smelter Royalty 1% of which can be acquired for \$1,000,000..

7. TRADE PAYABLES AND ACCRUED LIABILITIES

	February 28, 2023	May 31, 2022
	\$	\$
Trade payables	42,800	37,886
Accrued liabilities	16,000	66,581
	58,800	104,467

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 November 21, 2022, the Company issued 500,000 common shares for the option payment on the Walker Creek Project (Note 6).

On September 29, 2022, the Company issued 75,000 common shares in lieu of cash for the option payment on the Loljuh Project (Note 6).

8. SHARE CAPITAL (CONTINUED)

On June 27, 2022, the Company issued 5,750,000 common shares at a price of \$0.10 for gross proceeds of \$575,000. In connection with the issuance of the shares, the Company incurred share

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8. SHARE CAPITAL (CONTINUED)

issuance costs of \$123,118 in cash and 575,000 share purchase warrants valued at \$31,800 (note 11) has been issued as financing fees.

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.

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	140,000
Balance – May 31, 2022	0.10	140,000
Stock options issued	0.10	945,000
Balance – February 28, 2023	0.10	1,085,000

On July 22, 2022, the Corporation issued 945,000 stock options. 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 3.24 % 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 \$71,600 was recorded as a share-based payment expense.

On February 28, 2022, the Corporation issued 140,000 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 \$10,400 was recorded as a share-based payment expense.

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9. STOCK OPTIONS (CONTINUED)

Exercise Price	Options Outstanding			Options Exercisable	
	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	140,000	4.75	\$0.10	140,000	\$0.10
\$0.10	945,000	4.89	\$0.10	945,000	\$0.10
	1,085,000	4.84	\$0.10	1,085,000	\$0.10

10. WARRANTS

Details regarding warrants issued and outstanding are summarized as follows:

	Weighted Average exercise price	Number of shares issued or issuable on exercise
	\$	
Balance – May 31, 2022 and 2021	-	-
Share purchase warrants issued	0.10	575,000
Share purchase warrants issued	0.13	500,000
Balance - February 28, 2023	0.11	1,075,000

The expiry of the warrants are as follows:

Grant Date	Expiry Date	Number of warrants issued	Weighted Average Exercise Price
			\$
June 27, 2022	June 27, 2024	575,000	0.10
November 22, 2022	November 22, 2027	500,000	0.13
		1,075,000	0.11

On November 27, 2022, the company issued 500,000 share purchase warrants with an exercise price \$0.13 expiring November 22, 2027. The share purchase warrants has been valued at \$36,500 using the Black-Scholes Option Pricing Model assuming a risk-free interest rate of 4.38%, an expected life of 5 years, an expected volatility of 100% and no expected dividends.

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10. WARRANTS (CONTINUED)

On June 27, 2022, the company issued 575,000 share purchase warrants with an exercise price \$0.10 expiring June 27, 2024. The share purchase warrants have been valued at \$31,800 using the Black-Scholes Option Pricing Model assuming a risk-free interest rate of 3.10%, an expected life of 2 years, an expected volatility of 100% and no expected dividends.

11. 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.

The remuneration of directors and key management personnel during the nine months ended February 28, 2023 and 2022.

	February 28, 2023	February 28, 2022
	\$	\$
Management	23,000	4,000
Directors	1,150	-
	24,150	4,000

As at February 28, 2023, \$4,520 (May 31, 2022 - \$21,418) in accounts payable was due to related parties.

12. EXPLORATION AND EVALUATION EXPENSES

Exploration and evaluation expenses incurred for the nine months ended February 28, 2023 are as follows:

	Loljuh Project	Walker Creek Project	Total
	\$	\$	
Geology	1,760	-	1,760
Geophysics	23,563	-	23,563
Operating	21,000	21,000	42,000
Total	46,323	21,000	67,323

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

	Loljuh Project	Walker Creek Project	Total
	\$	\$	
Geology	8,272	-	8,272
Operating	2,364	-	2,364
Total	10,636	-	10,636

13. FINANCIAL INSTRUMENTS

Financial Assets and Liabilities

Information regarding the Company's financial assets and liabilities as at February 28, 2023 and May 31, 2022 is summarized as follows:

	February 28, 2023	May 31, 2022
	\$	\$
Financial Assets		
At FVTPL		
Cash	71,661	17,425
Financial Liabilities		
At amortized cost		
Trade payable and accrued liabilities	58,800	104,467

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.

13. FINANCIAL INSTRUMENTS (CONTINUED)

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 in its cash. The Company manages credit risk on liquid financial assets through maintaining its cash with high quality financial institutions.

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, 2023, the Company had a cash balance of \$71,661 to settle current liabilities of \$58,800. 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.

14. SUBSEQUENT EVENTS

On April 21, 2023, the Company issued 8,333,334 units pursuant to a non-brokered private placement financing for gross proceeds of \$500,000. Each unit consists of one common share and one common share purchase warrant exercisable at \$0.10 for a period of two years from the date of issue. The Company incurred cash commissions of \$12,720 and issued 212,000 finders' warrants in connection with the private placement financing. Related parties acquired 1,753,268 units of the private placement.