CARAVAN ENERGY CORPORATION

CONDENSED INTERIM FINANCIAL STATEMENTS

FOR THE PERIODS ENDED MARCH 31, 2023 AND 2022

(Expressed in Canadian Dollars)

(Unaudited)

NOTICE OF NO AUDIT OR REVIEW OF CONDENSED INTERIM FINANCIAL STATEMENTS

Under National Instrument 51-102, if an auditor has not performed a review of the interim financial statements they must be accompanied by a note indicating that the interim financial statements have not been reviewed by an auditor.

The accompanying unaudited condensed interim financial statements have been prepared by and are the responsibility of the management. The Corporation's independent auditor has not performed a review of these interim financial statements.

CARAVAN ENERGY CORPORATION
CONDENSED INTERIM STATEMENTS OF FINANCIAL POSITION
(Expressed in Canadian Dollars)
AS AT

		March 31, 2023 (unaudited)		June 30, 2022 (audited)
ASSETS				
Current assets				
Cash	$	351,498	$	358,025
GST receivable		5,581		3,511
Deferred listing costs		-		21,912
Prepaid expenses		7,655		-
Total current assets		364,734		383,448
Non-current assets				
Exploration and evaluation assets (Note 4)		85,000		40,500
Total assets	$	449,734	$	423,948
LIABILITIES AND EQUITY				
Current liabilities				
Accounts payable and accrued liabilities (Note 7)	$	73,857	$	59,448
Loans payable (Notes 5 and 7)		-		7,500
Total current liabilities		73,857		66,948
Equity				
Share capital (Note 6)		607,650		425,000
Obligation to issue shares (Note 6)		2,600		-
Deficit		(234,373)		(68,000)
Total equity		375,877		357,000
Total liabilities and equity	$	449,734	$	423,948

Nature of operations and going concern (Note 1)
Subsequent events (Note 11)

Approved and authorized on behalf of the Board:

"Gurcharn Deol", Director *"Robert Krause"*, Director

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

CARAVAN ENERGY CORPORATION
UNAUDITED CONDENSED INTERIM STATEMENTS OF LOSS AND COMPREHENSIVE LOSS
(Expressed in Canadian Dollars)
FOR THE PERIODS ENDED MARCH 31,

	Three months ended March 31,		Nine months ended March 31,	
	2023	**2022**	**2023**	**2022**
EXPENSES				
Consulting fees (Note 7)	$ 10,242	$ 3,000	$ 16,242	$ 9,000
Insurance	1,965	-	1,965	-
Office and miscellaneous	109	90	4,116	299
Professional fees (Note 7)	(2,915)	-	26,162	-
Salaries and benefits (Note 7)	545	-	545	-
Transfer agent and regulatory fees	6,020	67	6,020	215
Exploration costs	8,400	-	8,400	-
Operating loss	(24,366)	(3,157)	(63,450)	(9,514)
OTHER EXPENSES				
Listing fees	(102,923)	-	(102,923)	-
Other expenses	(102,923)	-	(102,923)	-
Net loss and comprehensive loss for the period	$ (127,289)	$ (3,157)	$ (166,373)	$ (9,514)
Loss per share				
Basic & diluted	$ (0.01)	$ 0.00	$ (0.01)	$ 0.00
Weighted average number of shares outstanding				
Basic & diluted	13,412,667	2,333,334	13,138,394	2,445,256

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

CARAVAN ENERGY CORPORATION
UNAUDITED CONDENSED INTERIM STATEMENTS OF CASH FLOWS
(Expressed in Canadian Dollars)
FOR THE PERIODS ENDED MARCH 31,

		2023		2022
CASH FLOW FROM OPERATING ACTIVITIES				
Net loss for the period	$	(166,373)	$	(9,514)
Items not affecting cash from operations:				
Listing fees		102,923		-
Shares for services		3,000		-
Changes in non-cash working capital:				
Prepaid expenses		(7,655)		(10,500)
GST receivable		(2,070)		(5)
Deferred listing costs		(81,011)		-
Accounts payable and accrued liabilities		14,409		9,068
Net cash used in operating activities		(136,777)		(10,951)
CASH FLOW FROM INVESTING ACTIVITIES				
Acquisition of exploration and evaluation assets		(24,500)		-
Net cash used in investing activities		(24,500)		-
CASH FLOW FROM FINANCING ACTIVITIES				
Share issuance costs		(2,264)		-
Proceeds from special warrants		197,750		-
Special warrant issuance costs		(35,836)		-
Proceeds for shares not yet issued		2,600		-
Repayment of loan payable		(7,500)		-
Net cash provided by financing activities		154,750		-
Change in cash		(6,527)		(10,951)
Cash, beginning of period		358,025		12,500
Cash, end of period	$	351,498	$	1,549
SUPPLEMENTAL INFORMATION				
Issuance of shares for option agreement	$	20,000	$	-
Exercise of special warrants	$	161,914	$	-

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

CARAVAN ENERGY CORPORATION
UNAUDITED CONDENSED INTERIM STATEMENTS OF CHANGES IN EQUITY
(Expressed in Canadian Dollars)

	Share Capital					
	Common Shares	Amount	Special Warrants Reserve	Obligation to Issue Shares	Deficit	Total Equity
Balance, June 30, 2021	2,500,001	$ 12,500	$ -	$ -	$ (1,000)	$ 11,500
Repurchase of shares	(1,500,001)	(7,500)	-	-	-	(7,500)
Loss for the period	-	-	-	-	(9,514)	(9,514)
Balance, March 31, 2022	1,000,000	$ 5,000	$ -	$ -	$ (10,514)	$ (5,514)
Balance, June 30, 2022	13,000,000	$ 425,000	$ -	$ -	$ (68,000)	$ 357,000
Share issuance	30,000	3,000	-	-	-	3,000
Share issuance costs	-	(2,264)	-	-	-	(2,264)
Proceeds received for shares not issued	-	-	-	2,600	-	2,600
Proceeds for special warrants	-	-	197,750	-	-	197,750
Special warrant issuance costs	-	-	(35,836)	-	-	(35,836)
Exercise of special warrants	1,977,500	161,914	(161,914)	-	-	-
Issuance of shares for option agreement	200,000	20,000	-	-	-	20,000
Loss for the period	-	-	-	-	(166,373)	(166,373)
Balance, March 31, 2023	15,207,500	$ 607,650	$ -	$ 2,600	$ (234,373)	$ 375,877

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

1. NATURE OF OPERATIONS AND GOING CONCERN

Caravan Energy Corporation ("Caravan" or the "Company"), is a company incorporated on October 21, 2020 under the Business Corporations Act (British Columbia). The registered records and head office of the Company is located at 220 – 333 Terminal Avenue, Vancouver, BC V6A 4C1. The Company is in the business of acquiring, exploring and evaluating mineral resource properties in Canada.

The Company's shares commenced trading on the Canadian Securities Exchange ("CSE") on March 17, 2023 under the trading symbol "CNRG".

These condensed interim financial statements have been prepared on a going concern basis, which assumes that the Company will be able to realize its assets and settle its obligations in the normal course of business. During the period ended March 31, 2023, the Company incurred a net loss of $166,373 (2022 - $9,514) and as at March 31, 2023, had an accumulated deficit of $234,373 (June 30, 2022 - $68,000). The Company has not generated cash inflows from operations. These conditions cast significant doubt about the Company's ability to continue as a going concern. The ability of the Company to carry out its planned business objectives is dependent on its ability to raise adequate financing from lenders, shareholders and other investors and/or generate profitability and positive cash flow. These condensed interim financial statements do not give effect to the adjustments that would be necessary should the Company be unable to continue as a going concern and to realize its assets and liquidate its liabilities and commitments at amounts different from those in the accompanying financial statements. Such adjustments could be material.

2. BASIS OF PRESENTATION

Statement of Compliance

These condensed interim financial statements, including comparatives, have been prepared in accordance with International Financial Reporting Standards ("IFRS") applicable to the preparation of interim financial statements, including International Accounting Standard ("IAS") 34, Interim Financial Reporting ("IAS 34"), as issued by the International Accounting Standards Board ("IASB") and Interpretations of the IFRS Interpretations Committee ("IFRIC").

These condensed interim financial statements were authorized and issued by the Board of Directors on May 17, 2023.

Significant Accounting Judgements and Critical Accounting Estimates

The preparation of financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting year. Actual outcomes could differ from these estimates. These condensed interim financial statements include estimates, which, by their nature, are uncertain. The impact of such estimates appears throughout the condensed interim financial statements and may require adjustments based on future occurrences. Revisions to accounting estimates are recognized in the period in which the estimate is revised and future periods if the revision affects both current and future periods. These estimates are based on historical experience, current and future economic conditions, and other relevant factors that are believed to be reasonable under the circumstances.

In preparing these condensed interim financial statements, the significant estimates and critical judgments were the same as those applied to the audited annual financial statements for the year ended June 30, 2022.

3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies followed by the Company are set out in Note 3 to the audited annual financial statements for the year ended June 30, 2022 and have been consistently followed in the preparation of these condensed interim financial statements.

(Expressed in Canadian Dollars)

4. EXPLORATION AND EVALUATION ASSETS

The following table summarizes costs of expenditures on exploration and evaluation assets for the period ended March 31, 2023 and the year ended June 30, 2022.

Acquisition costs		EBB Nickel-Cobalt		Total
Balance at June 30, 2021	$	-	$	-
Additions		40,500		40,500
Balance at June 30, 2022		**40,500**		**40,500**
Additions		44,500		44,500
Balance at March 31, 2023	**$**	**85,000**	**$**	**85,000**

EBB Nickel-Cobalt Property

On June 15, 2022, the Company entered into an option agreement to acquire a 100% undivided interest in the EBB Nickel-Cobalt Property subject to a 2% net smelter return royalty payable to the optionor. This property is located near Port Renfrew, BC. In order to exercise the option agreement, the Company must make the following payments:

- Cash payment of $30,000 upon execution of the option agreement – paid;
- Cash payment of $35,000 within four months of executing the option agreement – paid;
- Share payment of 200,000 shares on the date the Company's shares are listed for trading on a stock exchange in Canada – paid;
- Cash payment of $30,000 and share payment of 250,000 shares on the first anniversary of the date the Company's shares are listed for trading on a stock exchange in Canada;
- Cash payment of $40,000 and share payment of 300,000 shares on the second anniversary of the date the Company's shares are listed for trading on a stock exchange in Canada.

The Company is also obligated to incur the following expenditures under the option agreement in order to earn its interest:

- Incur expenditures of $110,000 on or before the first anniversary of the date the Company's shares are listed for trading on a stock exchange in Canada;
- Incur expenditures of $240,000 on or before the second anniversary of the date the Company's shares are listed for trading on a stock exchange in Canada.

The Company has the right to purchase 50% of the NSR, being one percent (1%), from the Optionor in exchange for cash payment of $1,000,000 payable to the Optionor.

5. LOANS PAYABLE

On March 21, 2022, the Company repurchased 1,500,001 shares from a former director. The repurchased shares were transferred to treasury for cancellation. In connection with the repurchase, the Company has an obligation to pay $7,500 to the former director. This amount is non-interest bearing, unsecured and has no fixed terms of repayment. As at March 31, 2023, no balance remains outstanding (June 30, 2022 - $7,500).

(Expressed in Canadian Dollars)

6. SHARE CAPITAL

a) Authorized share capital:

Unlimited number of common shares without par value.

b) Issued share capital:

As at March 31, 2023, the Company had 15,207,500 common shares issued and outstanding (June 30, 2022 – 13,000,000).

During the period ended March 31, 2023:

On December 5, 2022 the company issued 30,000 common shares for professional services with a fair value of $3,000.

On March 15, 2023 the company issued 1,977,500 common shares on exercise of the special warrants upon completion of the Company's IPO.

On March 17, 2023 the Company issued 200,000 common shares pursuant to the EBB Nickel-Cobalt property option agreement.

During March 2023, the Company received $2,600 in proceeds to exercise warrants and issue 13,000 common shares. These shares were issued subsequent to March 31, 2023.

During the period ended March 31, 2022:

During March 2022, the Company repurchased 1,500,001 common shares from a former director in exchange for a $7,500 loan payable to the director. The repurchased shares were transferred to treasury for cancellation.

c) Warrants:

As at March 31, 2023, warrant transactions and the number of warrants outstanding are summarized as follows:

	Number of Warrants		Weighted Average Exercise Price
Balance, June 30, 2021	-	$	-
Granted	6,000,000		0.10
Balance, June 30, 2022	**6,000,000**		**0.10**
Granted	2,007,500		0.20
Balance, March 31, 2023	**8,007,500**	**$**	**0.13**

During the period ended March 31, 2023, the Company issued 30,000 warrants in exchange for professional services and issued 1,977,500 warrants pertaining to the exercise of the special warrants upon completion of the Company's IPO. Both sets of warrants are exercisable at a price of $0.20.

The Company's 8,007,500 warrants expire on March 17, 2025.

During the period ended March 31, 2023, the Company received gross proceeds of $197,750 pertaining to the issuance of 1,977,500 special warrants priced at $0.10 per warrant. These special warrants were exercised in exchange for 1,977,500 common shares and 1,977,500 warrants upon completion of the Company's IPO. In connection with the special warrant financing, the Company incurred costs of $35,836 which have been netted against the gross proceeds.

(Expressed in Canadian Dollars)

7. RELATED PARTY BALANCES AND TRANSACTIONS

The Company has determined that key management personnel consists of the Company's Board of Directors and its executive officers. During the periods ended March 31, 2023 and 2022, the Company incurred the following fees charged by directors and officers and companies controlled by directors and officers of the Company:

	Nature of transactions		2023		2022
Key management personnel:					
Company controlled by the current CEO	Consulting	$	11,000	$	9,000
Company controlled by current director	Consulting		5,000		-
CFO	Salaries and benefits		520		-
Total		$	16,520	$	9,000

Further, the Company incurred expenses of $4,000 (2022 - $Nil) with a separate management entity for the provision of CFO services, which is included in professional fees. As of March 31, 2023, the Company owed $1,000 (June 30, 2022 - $6,000) to this management entity for the provision of CFO services.

At March 31, 2023, The Company owed $6,300 (2022 - $10,000) to a company controlled by a current officer. These amounts are non-interest bearing, unsecured and due on demand.

8. FINANCIAL INSTRUMENTS AND RISK

Fair value

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 and liabilities;
Level 2 – Inputs other than quoted prices that are observable for the assets or liabilities either directly or indirectly; and
Level 3 – Inputs that are not based on observable market data.

The Company's primary financial instruments are classified as follows:

Financial instruments	Classifications
Cash	Fair Value through Profit and Loss
Accounts payable and accrued liabilities	Amortized Cost
Loans payable	Amortized Cost

The fair values of accounts payable and accrued liabilities and loans payable approximates their carrying amount due to their short-term nature. Cash is measured at fair value using level 1 inputs.

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.

8. FINANCIAL INSTRUMENTS AND RISK (continued)

The Company's risk exposures and the impact on the Company's financial instruments are summarized below:

Credit risk

Credit risk is the risk that a customer or counterparty to a financial instrument will cause a financial loss to the Company by failing to meet its obligations. The Company's financial instruments that are exposed to concentrations of credit risk are primarily cash. The Company limits its exposure to credit risk with respect to cash by holding it with major Canadian financial institutions. The carrying amount of financial assets represents the maximum credit risk exposure.

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.

Historically, the Company's primary source of funding has been the issuance of equity securities for cash. The Company's access to financing is always uncertain. There can be no assurance of continued access to significant equity funding.

The following is an analysis of the contractual maturities of the Company's financial liabilities as at March 31, 2023:

	Within one year	Between one and five years	More than five years
Accounts payable and accrued liabilities	$ 73,857	$ -	$ -
	$ 73,857	$ -	$ -

Market risk

Market risk is the risk of loss that may arise from changes in market factors such as interest rates, foreign exchange rates, commodity and equity prices.

a) Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows from a financial instrument will fluctuate because of changes to market interest rates. The Company does not have any financial instruments that are exposed to interest rate fluctuations. The Company believes it has no significant interest rate risk.

b) Foreign currency risk

Foreign 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. The Company does not have any exposure to currency risk.

c) Other price risk

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market prices, other than those arising from interest rate risk or foreign currency risk. The Company does not hold any other financial instruments that would result in material exposure to other price risk.

9. CAPITAL MANAGEMENT

The Company’s objective when managing capital is to safeguard the entity’s ability to continue as a going concern. In the management of capital, the Company monitors its capital, which comprises all components of equity (i.e., share capital, reserves and deficit).

The Company sets the amount of capital in proportion to risk. The Company manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Company may issue common shares through private placements. The Company is not exposed to any externally imposed capital requirements. No changes were made to capital management during the period ended March 31, 2023.

On March 17, 2023, the Company’s shares became listed on the CSE and it is now subject to various CSE listing requirements.

10. SEGMENT INFORMATION

The Company has one operating segment, being the acquisition, exploration and evaluation of mineral resource properties in Canada. All of the Company’s assets are located in Canada.

11. SUBSEQUENT EVENTS

Subsequent to March 31, 2023, the Company issued 28,000 shares on exercise of warrants. $5,600 in proceeds was received on exercise of the warrants, with $2,600 received during March 2023.