

MINAEAN SP CONSTRUCTION CORP.

Condensed Interim Consolidated Financial Statements

For the Six Months Ended September 30, 2023 and 2022

Unaudited - Expressed in Canadian Dollars

MINAEAN SP CONSTRUCTION CORP.

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MINAEAN SP CONSTRUCTION CORP.

NOTICE OF NO AUDITOR REVIEW OF INTERIM CONSOLIDATED FINANCIAL STATEMENTS

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

The accompanying unaudited condensed interim consolidated financial statements of the Company have been prepared by management and approved by the Audit Committee and Board of Directors of the Company.

The Company's independent auditors have not performed a review of these condensed interim consolidated financial statements in accordance with the standards established by the Canadian Institute of Chartered Accountants for a review of condensed interim consolidated financial statements by an entity's auditors.

November 29, 2023

MINAEAN SP CONSTRUCTION CORP.

Condensed Interim Consolidated Statements of Financial Position
(Unaudited - Expressed in Canadian Dollars)

	Note	September 30, 2023	March 31, 2023
		Unaudited	Audited
ASSETS			
Current			
Cash		\$ 20,926	\$ 13,907
Short-term investments	3	18,027	18,237
Receivables	4	27,480	24,449
Holdback receivable	5	18,309	18,523
Prepaid expenses and deposits		1,492	4,460
		<u>86,234</u>	<u>79,576</u>
Equipment	6	<u>1,040</u>	<u>1,052</u>
		\$ 87,274	\$ 80,628
LIABILITIES AND SHAREHOLDERS' DEFICIENCY			
Current			
Trades payable and accrued liabilities		\$ 343,786	\$ 322,362
Due to related parties	9	556,412	471,911
Note payable	9 (g)	20,769	20,167
		<u>920,967</u>	<u>814,440</u>
Government loan payable	7	<u>39,016</u>	<u>37,121</u>
		<u>959,983</u>	<u>851,561</u>
Shareholders' equity			
Share capital	8	10,886,783	10,842,953
Share based payment reserves	8	1,906,180	1,910,011
Accumulated other comprehensive loss		12,737	10,887
Deficit		<u>(13,678,409)</u>	<u>(13,534,784)</u>
		<u>(872,709)</u>	<u>(770,933)</u>
		\$ 87,274	\$ 80,628

Nature and continuance of operations (Note 1)

Contingency (Note 14)

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

MINAEAN SP CONSTRUCTION CORP.

Condensed Interim Consolidated Statement of Change in Shareholders' Equity (Deficiency)
(Unaudited - Expressed in Canadian Dollars)

	Notes	Share Capital		Share-based payment reserves	Accumulated other comprehensive loss	Deficit	Total equity
		Number of shares	Amount				
Balance, March 31, 2022		60,218,216	\$ 10,689,546	\$ 1,923,417	\$ 10,893	\$ (12,587,493)	\$ 36,363
Options exercised	8	699,999	115,055	(10,055)	-	-	105,000
Net loss for the period		-	-	-	-	(204,804)	(204,804)
Cumulative translations adjustment		-	-	-	(3,567)	-	(3,567)
Balance, September 30, 2022		60,918,215	10,804,601	1,913,362	7,326	(12,792,297)	(67,008)
Options exercised	8	233,332	38,352	(3,351)	-	-	35,001
Net loss for the period		-	-	-	-	(742,487)	(742,487)
Cumulative translations adjustment		-	-	-	3,561	-	3,561
Balance, March 31, 2023		61,151,547	10,842,953	1,910,011	10,887	(13,534,784)	(770,933)
Options exercised	8	266,666	43,830	(3,831)	-	-	39,999
Net loss for the period		-	-	-	-	(143,625)	(143,625)
Cumulative translations adjustment		-	-	-	1,850	-	1,850
Balance, September 30, 2023		61,418,213	\$ 10,886,783	\$ 1,906,180	\$ 12,737	\$ (13,678,409)	\$ (872,709)

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

MINAEAN SP CONSTRUCTION CORP.

Condensed Interim Consolidated Statements of Loss and Comprehensive Loss

For the six months ended September 30, 2023 and 2022

(Unaudited - Expressed in Canadian Dollars)

	Notes	Three months ended September 30,		Six months ended September 30,	
		2023	2022	2023	2022
Expenses					
Amortization	6	\$ -	\$ 22	\$ -	\$ 45
Interest and bank charges	7	3,654	24,714	6,958	27,573
Marketing		-	-	-	16,428
Office and administration	9,10	13,799	33,574	27,847	48,356
Professional fees		16,173	3,671	16,250	7,390
Regulatory and transfer agent fees		4,913	6,542	7,188	11,389
Rent	9	9,000	9,000	18,000	18,000
Travel and entertainment		1,078	6,062	4,242	11,852
Wages and benefits	9	31,576	31,561	63,151	63,778
		80,193	115,146	143,636	204,811
Loss before other items		(80,193)	(115,146)	(143,636)	(204,811)
Other items					
Interest and other income	7	6	5	11	7
		6	5	11	7
Loss for the period		(80,187)	(115,141)	(143,625)	(204,804)
Foreign currency translation reserve		(1,380)	(4,946)	1,850	(3,567)
Comprehensive loss for the period		\$ (81,567)	\$ (120,087)	\$ (141,775)	\$ (208,371)
Loss per share - basic and diluted		(0.00)	(0.00)	(0.00)	(0.00)
Weighted average number of shares outstanding					
- basic and diluted		61,331,257	60,712,780	61,242,621	60,218,216

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

MINAEAN SP CONSTRUCTION CORP.

Condensed Interim Consolidated Statements of Cash Flows

For the six months ended September 30, 2023 and 2022

(Unaudited - Expressed in Canadian Dollars)

	Six months ended September 30,	
	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES		
Net loss for the period	\$ (143,625)	\$ (204,804)
Items not affecting cash:		
Depreciation	-	45
Accrued interest on government loan	1,895	1,895
Accrued interest on related party loan	602	-
	<u>(141,128)</u>	<u>(202,864)</u>
Changes in non-cash working capital items:		
Receivables	(3,159)	(3,283)
Prepaid expenses and deposits	2,968	2,800
Trades payable and accrued liabilities	22,880	18,735
Dues to related parties	85,471	88,560
Net cash used in operating activities	<u>(32,968)</u>	<u>(96,052)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from share issuances	<u>39,999</u>	<u>105,000</u>
Net cash provided by financing activities	<u>39,999</u>	<u>105,000</u>
Effect of foreign exchange on cash flows	<u>(12)</u>	<u>(611)</u>
Change in cash	7,019	8,337
Cash, beginning of period	<u>13,907</u>	<u>63,966</u>
Cash, end of period	\$ 20,926	\$ 72,303
Cash paid for interest	\$ -	\$ -
Cash paid for taxes	\$ -	\$ -

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

MINAEAN SP CONSTRUCTION CORP.

Notes to Condensed Interim Consolidated Financial Statements

For the six months ended September 30, 2023 and 2022

(Unaudited - Expressed in Canadian Dollars)

1. NATURE AND CONTINUANCE OF OPERATIONS

Minaean SP Construction Corp. (“Minaean” or the “Company”) was incorporated under the Business Corporations Act (Alberta) on November 5, 1998 and continued into British Columbia on August 28, 2015.

As at March 31, 2023, Minaean has three wholly-owned subsidiaries, Minaean Building Solutions Inc. (“MBSolutions”), Minaean Habitat India Private Limited (“MHIPL”), and Minaean (Ghana) Limited (“MGhana”) (collectively the “Company”).

The Company is in the business of providing general contracting to the construction industry with a specialty in Light Gauge Steel Quik-Build Systems. The Company also provides a variety of contracting services including consulting on large scale construction projects, engineering, procurement, construction and design-build capabilities in the residential, commercial, industrial, healthcare, and hospitality sectors.

The Company’s head office, principal address and records office is Suite 2050-1055 West Georgia Street, PO Box 11121, Royal Centre, Vancouver, BC V6E 3P3. The registered office is Suite 2501, 550 Burrard Street, Vancouver, BC V6C 2B5.

These consolidated financial statements have been prepared on a going concern basis, which presumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business for the foreseeable future. During the six months ended September 30, 2023, the Company incurred a net loss of \$143,625 (2022 - \$204,804). As at September 30, 2023, the Company has an accumulated deficit of \$13,678,409 (March 31, 2023 - \$13,534,784) and working capital deficit of \$834,733 (March 31, 2023 - \$734,864). These conditions may cast significant doubt about the Company’s ability to continue as a going concern.

These financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”) with the assumption that the Company will be able to realize its assets and discharge its liabilities in the normal course of business rather than through a process of forced liquidation. Different basis of measurement may be appropriate if the Company is not expected to continue operations for the foreseeable future. The Company’s ability to continue as a going concern is dependent upon generating a profit from operations and its ability to raise equity capital or borrowings sufficient to meet current and future obligations. There are many external factors that can adversely affect general workforces, economies and financial markets globally. Examples include but are not limited to the COVID-19 global pandemic from March 2020 and political conflicts in other regions. While the Company has been successful in obtaining its required financing in the past, there is no assurance that such financing will be available or be available on favorable terms. An inability to raise additional financing may impact the future assessment of the Company as a going concern. The financial statements do not include adjustments to amounts and classifications of assets and liabilities that might be necessary should the Company be unable to continue operations. These material uncertainties may cast significant doubt upon the Company’s ability to continue as a going concern.

The Company has never paid dividends.

2. SIGNIFICANT ACCOUNTING POLICIES AND BASIS OF PREPARATION

These condensed interim consolidated financial statements were authorized for issue on November 29, 2023 by the directors of the Company.

Statement of compliance and conversion to International Financial Reporting Standards

These condensed interim consolidated financial statements, including comparatives, have been prepared in accordance with International Accounts Standards (“IAS”) 34, “Interim Financial Reporting” using accounting policies consistent with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”) and Interpretations issued by the International Financial Reporting Interpretations Committee (“IFRIC”).

MINAEAN SP CONSTRUCTION CORP.

Notes to Condensed Interim Consolidated Financial Statements

For the six months ended September 30, 2023 and 2022

(Unaudited - Expressed in Canadian Dollars)

2. SIGNIFICANT ACCOUNTING POLICIES AND BASIS OF PREPARATION (cont'd)

Basis of presentation

The consolidated financial statements of the Company have been prepared on an accrual basis except for cash flow information and are based on historical costs, except for financial instrument carried at fair value, modified where applicable. The consolidated financial statements are presented in Canadian dollars unless otherwise noted.

Subsidiaries

In addition to the Company, the condensed interim consolidated financial statements include all subsidiaries. Subsidiaries are all corporations over which the Company is able directly or indirectly, to control financial and operational policies, which is the authority usually connected with holding majority voting rights. Subsidiaries are fully consolidated from the date on which control is acquired by the Company. They are de-consolidated from the date that control by the Company ceases.

The subsidiaries of the Company are as follows:

	Country of incorporation	Percentage owned	
		September 30, 2023	March 31, 2023
Minaean Building Solutions Inc.	Canada	100%	100%
Minaean Habitat India Pvt Ltd.	India	100% ⁽¹⁾	100% ⁽¹⁾
Minaean (Ghana) Limited	Ghana	100%	100%

(1) owned by Minaean Building Solutions Inc.

Consolidation

Assets, liabilities, revenues and expenses of the subsidiaries are recognized in accordance with the Company's accounting policies. Inter-company balances and transactions, including unrealized income and expenses arising from inter-company transactions, are eliminated on consolidation.

Critical Accounting Estimates and Judgments

The preparation of these consolidated financial statements requires management to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported expenses during the period. Actual results could differ from these estimates.

Significant assumptions about the future and other sources of estimation uncertainty that management has made at the end of the reporting period, that could result in a material adjustment to the carrying amounts of assets and liabilities in the event that actual results differ from assumptions made, relate to, but are not limited to, the following:

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

MINAEAN SP CONSTRUCTION CORP.

Notes to Condensed Interim Consolidated Financial Statements

For the six months ended September 30, 2023 and 2022

(Unaudited - Expressed in Canadian Dollars)

2. SIGNIFICANT ACCOUNTING POLICIES AND BASIS OF PREPARATION (cont'd)

Critical Accounting Estimates and Judgments (cont'd)

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.

Share-based payments The Company uses the Black-Scholes option pricing model to determine the fair value of options and warrants in order to calculate share-based payments expense and the fair value of agent warrants. The Black-Scholes model involves six key inputs to determine fair value of an option: risk-free interest rate, exercise price, market price at date of issue, expected dividend yield, expected life, and expected volatility. Certain of the inputs are estimates that involve considerable judgment and are or could be affected by significant factors that are out of the Company's control. The Company is also required to estimate the future forfeiture rate of options based on historical information in its calculation of share-based payments expense.

The information about significant areas of judgment considered by management in preparing the consolidated financial statements are as follows:

i. Determination of functional currency

The effect of Changes in Foreign Exchange Rates (IAS 21) defines the functional currency as the currency of the primary economic environment in which an entity operates. The determination of functional currency, which is performed on an entity by entity basis, is based on various judgmental factors outlined in IAS 21. Based on assessment of the factors in IAS 21, primarily those that influence labour, material and other costs of goods or services received by its subsidiary, management determined that the functional currency for the Company and its subsidiaries is the Canadian dollar, with the exception of Minaean Habitat India Pvt Ltd. which is the Rupee.

ii. Deferred tax assets

Deferred tax assets are recognized in respect of tax losses and other temporary differences to the extent it is probable that taxable income will be available against which the losses can be utilized. Judgment is required to determine the amount of deferred tax assets that can be recognized based upon the likely timing and level of future taxable income together with future tax planning strategies.

iii. Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable. The Company considers the terms of the contracts, the nature of the transaction, estimated time required on the project, and the specific circumstances of each arrangement. The Company recognizes revenues when services are completed and billed. Judgement involves in determining when revenue recognition criteria have been met including when all performance obligation have been fulfilled.

iv. Going concern

The assessment of the Company's ability to continue as a going concern and to raise sufficient funds to pay its ongoing operating expenditures and meet its liabilities for the ensuing year, involves significant judgment based on historical experience and other factors including expectation of future events that are believed to be reasonable under the circumstances.

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Notes to Condensed Interim Consolidated Financial Statements

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(Unaudited - Expressed in Canadian Dollars)

3. SHORT-TERM INVESTMENTS

Investments consist of highly liquid Indian Rupee denominated term deposits. Short-term investments have a term to maturity of greater than ninety days but not more than one year and long-term investments have a term to maturity of greater than one year. The counter-party is a financial institution. At September 30, 2023 and March 31, 2023, the Company held the following investments:

	September 30, 2023	March 31, 2023
Indian term deposits yielding an interest rate between 6% and 9.7%	\$ 18,027	\$ 18,237
	\$ 18,027	\$ 18,237

The Indian term deposits are invested with State Bank of India as guarantee against performance bonds issued on Government awarded contracts. Performance bonds are held until the completion of the contract close out and redeemable within a minimum of twelve months of contract close out date as negotiated in the contract.

4. RECEIVABLES

Short-term receivables consist of government sales input tax credits of \$27,480 (March 31, 2023 - \$24,449) due within twelve months.

Long-term receivables consist of trade receivables that are estimated to be collected in excess of a twelve-month period.

	September 30, 2023	March 31, 2023
Long-term trade receivables	\$ -	\$ 950,000
Expected credit loss	-	(950,000)
	\$ -	\$ -

The Company maintains an allowance for ECL that represents its estimate of uncollectible amounts based on the Company's historical credit loss experience, adjusted for forward-looking factors specific to the customers and the economic environment. During the six months ended September 30, 2023, the Company recorded ECL of \$nil (March 31, 2023 - \$537,500) on its long-term receivables (Note 15).

5. HOLDBACK RECEIVABLE

Holdback receivables represent amounts retained by the client on construction contracts as per milestones established in the contract released upon the expiration of the twelve-month lien period after the construction project has completed in its entirety as negotiated in the contract.

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Notes to Condensed Interim Consolidated Financial Statements

For the six months ended September 30, 2023 and 2022

(Unaudited - Expressed in Canadian Dollars)

6. EQUIPMENT

	Computer Equipment	Vehicle	Total
Cost:			
At March 31, 2022 and 2023	\$ 14,425	\$ 19,897	\$ 34,322
Forex translation adjustment	(28)	(230)	(258)
At September 30, 2023	\$ 14,397	\$ 19,667	\$ 34,064
Depreciation:			
At March 31, 2022	\$ 14,206	\$ 18,901	\$ 33,107
Depreciation for the period	163	-	163
Forex translation adjustment	-	-	-
At March 31, 2023	14,369	18,901	33,270
Depreciation for the period	-	-	-
Forex translation adjustment	(28)	(218)	(246)
At September 30, 2023	\$ 14,341	\$ 18,683	\$ 33,024
Net book value:			
At March 31, 2023	\$ 56	\$ 996	\$ 1,052
At September 30, 2023	\$ 56	\$ 984	\$ 1,040

7. GOVERNMENT LOAN AND GRANT

On April 30, 2020, the Company received the Canada Emergency Business Account (“CEBA”) loan which is an interest-free loan to cover operating costs. Repaying the balance of the loan on or before December 31, 2023, as extended from December 31, 2022 by the Government of Canada, will result in a loan forgiveness of \$10,000.

Pursuant to IAS 20 *Accounting for Government Grants and Disclosure of Government Assistance*, the benefit of a government loan at below-market rate is treated as a government grant and measured in accordance with IFRS 9 *Financial Instruments*: the benefit of below-market rate shall be measured as the difference between initial carrying value of the loan (being the present value of a similar loan at market rates) and the proceeds received. The Company has estimated the initial carrying value of the CEBA Loan at \$30,671, using a discount rate of 10%, which was the estimated rate for a similar loan without interest-free component. The difference of \$9,329 will be accredited to the loan liability over the term of the CEBA Loan and offset to other income on the statement of loss and comprehensive loss. On December 31, 2022, the terms of the loan were extended for repayment on or before December 31, 2023. The Company revalued the initial carrying value of the CEBA loan at \$27,764, using a discount rate of 10%, which was the estimated rate for a similar loan without interest-free component. As a result, the loan ending balance as at March 31, 2023 was changed to \$37,121 and an adjustment of \$3,518 was made accordingly.

	September 30, 2023	March 31, 2023
Balance, beginning of period	\$ 37,121	\$ 37,121
Adjustment	-	(3,518)
Finance expense	1,895	3,518
Balance, end of period	\$ 39,016	\$ 37,121

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Notes to Condensed Interim Consolidated Financial Statements

For the six months ended September 30, 2023 and 2022

(Unaudited - Expressed in Canadian Dollars)

8. SHARE CAPITAL

Authorized share capital

Unlimited common shares with no par value.

Share issuances

During the six months ended September 30, 2023, the Company issued an aggregate of 266,666 common shares on the exercise of 266,666 stock options at an exercise price of \$0.15 for total gross proceeds of \$39,999. In addition, a reallocation of \$3,831 from reserves to share capital was recorded on the exercise of these options. This amount constitutes the fair value of options recorded at the original grant date.

During the year ended March 31, 2023, the Company issued an aggregate of 933,331 common shares on the exercise of 933,331 stock options at an exercise price of \$0.15 for total gross proceeds of \$140,001. In addition, a reallocation of \$13,406 from reserves to share capital was recorded on the exercise of these options. This amount constitutes the fair value of options recorded at the original grant date.

Stock options

The Company has a stock option plan under which it is authorized to grant options to executive officers and directors, employees and consultants enabling them to acquire up to 10% of the issued and outstanding common stock of the Company. Under the plan, the exercise price of each option equals the market price of the Company's stock, less applicable discount, as calculated on the date of grant. The options can be granted for a maximum term of 10 years and vest at the discretion of the Board of Directors.

Stock option transactions are summarized as follows:

	Number	Weighted Average Exercise Price
Outstanding, March 31, 2022	3,515,783	\$ 0.15
Exercised	(933,331)	0.15
Outstanding, March 31, 2023	2,582,452	0.15
Exercised	(266,666)	0.15
Outstanding, September 30, 2023	2,315,786	\$ 0.15

As at September 30, 2023, the following were outstanding and exercisable:

	Expiry Date	Number of Shares	Weighted Average Exercise Price	Weighted average remaining contractual life
Options	January 7, 2026	2,315,786	\$ 0.15	2.27 years

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Notes to Condensed Interim Consolidated Financial Statements

For the six months ended September 30, 2023 and 2022

(Unaudited - Expressed in Canadian Dollars)

9. RELATED PARTY TRANSACTIONS

Key management personnel are persons responsible for planning, directing and controlling activities of an entity, and include executive and non-executive directors. The remuneration of directors and other key management personnel during the six months ended September 30, 2023 and 2022 were as follows:

	2023	2022
Management salaries	\$ 60,000	\$ 60,000
Total	\$ 60,000	\$ 60,000

The Company entered into the following related party transactions:

- (a) On October 1, 2014, the Company entered into an administrative agreement for administrative services in exchange for a monthly fee of \$4,000 plus applicable tax. During the period ended September 30, 2023, the Company paid or accrued \$24,000 (2022 - \$24,000) in administrative fees to Varshney Capital Corp. (“VCC”).

As at September 30, 2023, \$147,662 (March 31, 2023 - \$119,000) was owed to VCC pursuant to this agreement and expense reimbursements. This amount is included in due to related parties.

- (b) During the period ended September 30, 2023, the Company paid or accrued \$18,000 (2022 - \$18,000) in rent to a company controlled by the spouse of the CFO and director of the Company.

As at September 30, 2023, \$115,101 (March 31, 2023 – \$95,918) was owed to this company for rent. This amount has been included in accounts payable.

- (c) As at September 30, 2023, \$324,095 (March 31, 2023 - \$262,495) was included in due to related parties for amounts owing to the CEO and director of the Company.

- (d) As at September 30, 2023, \$nil (March 31, 2023 -\$6,419) was included in due to related parties for amounts owing to the CFO and director of the Company for reimbursement of business expenses.

- (e) As at September 30, 2023, \$84,656 (March 31, 2023 - \$83,997) in loans from the SP Group, a shareholder of the Company, were included in due to related parties. The loan is non-interest bearing and is due upon demand.

- (f) During the period ended September 30, 2023, the Company’s significant shareholder received 266,666 common shares for the exercise of 266,666 stock options for total gross proceeds of \$39,999 (March 31, 2023 – 933,331 common shares for the exercise of 933,331 stock options for total gross proceeds of \$140,001) (Note 8).

- (g) On February 7, 2023, the Company entered into a promissory note payable of \$20,000 with Madhuri Ventures Inc., a company controlled by a director and officer of the Company. The promissory note is unsecured, bearing interest at 6% per annum, and matures on August 7, 2023. As at September 30, 2023, the note payable was still outstanding and accrued interest of \$769 (March 31, 2023- \$167) was included in note payable.

Unless otherwise specified above, amounts due to related parties are unsecured and have no specified interest rate or terms of repayment.

10. COMMITMENT

On October 1, 2014, the Company entered into an agreement with VCC to provide administrative services to the Company for a period of three years in exchange for a monthly fee of \$4,000. At the end of the service term, the terms of the agreement are automatically renewed on an annual basis until either party provides notice of termination.

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Notes to Condensed Interim Consolidated Financial Statements

For the six months ended September 30, 2023 and 2022

(Unaudited - Expressed in Canadian Dollars)

11. SEGMENTED INFORMATION

The Company operates in one industry segment, being general contracting services, and in the geographic areas as follows:

	September 30, 2023	March 31, 2023
Equipment – India	\$ 1,040	\$ 1,052
	\$ 1,040	\$ 1,052

12. CAPITAL MANAGEMENT

The Company manages its capital structure and makes adjustments based on the funds available in order to support continued operation and future business opportunities. The board of directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business. The Company considers its shareholders' capital to be capital.

During the period ended September 30, 2023, the Company generated \$39,999 in proceeds from stock options exercised. In order to carry out potential expansion and to continue operations, and pay for administrative costs, the Company will spend its existing working capital, and raise additional amounts as needed.

Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable. There were no changes in the Company's approach to capital management during the period ended September 30, 2023. The Company is not subject to externally imposed capital requirements.

13. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

Fair value estimates of financial instruments are made at a specific point in time, based on relevant information about financial markets and specific financial instruments. As these estimates are subjective in nature, involving uncertainties and matters of significant judgment, they cannot be determined with precision. Changes in assumptions can significantly affect estimated fair values.

The Company's current assets and liabilities approximate fair value due to the short term nature of these instruments. The Company's holdback receivable and long-term receivable approximate fair value due to the nature of these items, which primarily includes government refunds, holdback receivables which will be collected upon expiration of warranty period in effect from the completion of construction projects, and trades receivables.

Credit risk

Credit risk is the risk of loss associated with a counterparty's inability to fulfill its payment obligations. Management believes that the credit risk concentration with respect to financial instruments included in cash is remote. Current receivables comprise of GST input tax credits refundable by the government. The Company's long-term receivables related to long-term portion of trade receivable and various government tax credits and refunds are at various stages of review by government authorities in India. Should the Company receive an unfavorable ruling, a loss provision will be made in the year incurred. The Company has credit risk as it relates to the collection of these receivables. Management continues to monitor the credit granted to all customers and has used the services of Export Development Canada where possible.

To measure expected credit losses, long-term trade receivables are grouped based on risk characteristics and due dates. At September 30, 2023, the Company recognized expected credit losses of \$nil (March 31, 2023 - \$537,500) (Note 4).

MINAEAN SP CONSTRUCTION CORP.

Notes to Condensed Interim Consolidated Financial Statements

For the six months ended September 30, 2023 and 2022

(Unaudited - Expressed in Canadian Dollars)

13. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (cont'd)

Liquidity risk

The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when they come due. As at September 30, 2023, the Company had a working capital deficiency of \$834,733 including cash deposits of \$20,926, short term investment of \$18,027, receivables of \$27,480 and holdback receivables of \$18,309, and prepaid expenses and deposits of \$1,492 to settle current liabilities of \$920,967.

Market risk

Market risk is the risk of loss that may arise from changes in market factors such as interest rates, foreign exchange rates, and equity prices. These fluctuations may be significant and the Company, as all other companies in its industry, has exposure to these risks.

(a) Interest rate risk

Interest rate risk is the risk that an investment's value will change due to a change in the level of interest rates. The Company is exposed to interest rate risk as its bank account earns interest income at variable rates. The income earned on the bank account is subject to the movements in interest rates. Management considers the risk to be minimal.

(b) Foreign currency risk

The Company is exposed to foreign currency risk on fluctuations related to cash, short-term investments, holdback receivable, trades payable and accrued liabilities and due to related parties that are denominated in Indian Rupees. Management does not hedge its exposure to foreign exchange risk and does not believe the Company's net exposure to foreign currency risk is significant.

As at September 30, 2023, MHIPL had net financial liabilities of Rs 9,975,343. A 10% change in the Canadian dollar versus the Rupee would give rise to a gain/loss of approximately \$16,240.

(c) Price risk

The Company does not feel it is significantly exposed to price risk with respect to equity prices.

14. CONTINGENCY

On February 8, 2023, the Company announced that it was named as a defendant in Notice of Civil Claim filed in the Supreme Court of British Columbia on January 24, 2023. In the Company's view, this claim lacks merit and the Company will fully defend itself.

Danny D. Davis (the "Plaintiff") alleges that Minaean Power Structures (U.S.A.), Inc., a former subsidiary of the Company, owes him money as a result of a January 24, 2011 judgment in the Circuit Court of the State of Oregon for Lane County. The Plaintiff is seeking judgment in the amount of \$4,118,435 USD inclusive of all costs and interest from the Company.

The Plaintiff has no enforceable judgement against the Company and Minaean Power Structures (U.S.A.) is not a going concern.

The Company will continue to disclose any significant developments in relation to this Notice of Civil Claim.