MONARCH WEST VENTURES INC

FINANCIAL STATEMENTS

Three Months Ended June 30, 2021 and the period from Incorporation on January 6, 2021 to June 30, 2021

(Expressed in Canadian Dollars)

These unaudited condensed interim financial statements have been prepared by management and have not been reviewed by the Company's auditors.

MONARCH WEST VENTURES INC

Statement of Financial Position
(Expressed in Canadian Dollars)

		As at June 30, 2021
Assets		
Current		
Cash	$	284,360
Prepaid expense		15,000
	$	299,360
Liabilities		
Current		
Accounts payable and accrued liabilities	$	31,769
Shareholders' Equity		
Share capital		300,000
Share issuance cost		(24,448)
Contributed Surplus		25,566
Deficit		(33,527)
		267,591
	$	299,360

Nature of operations and going concern (note 1)
Events after the reporting period (note 9)

Approved on behalf of the Board:

"Mark Orsmond" (signed)	*"Brian Levinkind" (signed)*
Director	Director

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

MONARCH WEST VENTURES INC
Statement of Loss and Comprehensive Loss
(Expressed in Canadian Dollars)

		Three Months Ended June 30, 2021
Operating Expenses		
Bank charges		48
Consultants		500
Legal and professional fees		7000
Miscellaneous		331
Share Based Compensation		25,566
Net Loss and Comprehensive Loss for the Period		33,445
Basic and Diluted Loss per Share	$	(0.01)
Weighted Average Number of Common SharesOutstanding		4,615,385

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

MONARCH WEST VENTURES INC
Statement of Changes in Shareholders' Equity
(Expressed in Canadian Dollars)

	Share Capital		Share Issuance Cost	Contributed Surplus		Total
	Number	Amount $	Amount $	Amount $	Deficit $	Shareholders' Equity $
Balance, January 6, 2021 (date of incorporation)	1	1	-	-	-	1
Repurchased by the Company	(1)	(1)	-	-	-	(1)
Issuance of common shares	6,000,000	300,000	-	-	-	300,000
Share issuance cost	-	-	(24,448)	-	-	(24,448)
Share based compensation	-	-	-	25,566	-	25,566
Net loss for period	-	-	-	-	(33,527)	(33,527)
Balance, June 30, 2021	6,000,000	300,000	(24,448)	25,566	(33,527)	267,591

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

MONARCH WEST VENTURES INC
Statement of Cash Flows (Expressed in Canadian Dollars)

		Period from Incorporation on January 6, 2021 to June 30, 2021
Operating Activities		
Net loss for the period	$	(33,527)
Items not affecting cash:		
Share based compensation		25,566
Change in working capital balances:		
Prepaid expense		(15,000)
Accounts payable and accrued liabilities		31,769
Cash Provided in Operating Activities		8,808
Financing Activities		
Common shares issued, net		275,552
Cash Provided by Financing Activities		275,552
Change in Cash		284,360
Cash, Beginning of Period		-
Cash, End of Period	$	284,360

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

1. NATURE OF OPERATIONS AND GOING CONCERN

Monarch West Ventures Inc (the "Company") was incorporated under the *BC Business Corporations Act* on January 6, 2021 and is a Capital Pool Company as defined in Policy 2.4 of the TSX Venture Exchange (the "**TSX-V**"). The principal business of the Company is to identify, evaluate and then acquire an interest in a business or assets with a view of completing a Qualifying Transaction. The Company's registered and records office address is 10th Floor, 595 Howe Street, Vancouver, BC, V6C 2T5. The head office of the Company is located at 1208 Rosewood Crescent, North Vancouver, BC, V7P 1H4.

These financial statements have been prepared on a going concern basis 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. The Company has not yet achieved profitable operations with working capital of $267,591 as of June 30, 2021 and incurred a net loss of $33,527 from January 6, 2021 to June 30, 2021.

The ability of the Company to carry out its business objectives is dependent on its ability to secure continued financial support from related parties, to obtain equity financing, or to ultimately attain profitable operations in the future. Whether and when the Company can attain profitability and positive cash flows is uncertain. Based on its current plans, budgeted expenditures, and cash requirements, the Company should be able to finance sufficient cash for its current plans for at least 12 months from June 30, 2021.

For these reasons, the Company continues to adopt the going concern basis in preparing the financial statements.

2. BASIS OF PRESENTATION

(a) Statement of compliance

These financial statements are prepared in accordance with IFRS, as issued by the International Accounting Standards Board ("IASB").

These financial statements are presented in Canadian dollars, which is the Company's functional currency.

(b) Basis of presentation

These financial statements have been prepared on a historical cost basis, except for certain financial instruments classified as financial instruments at fair value through profit or loss, which are stated at fair value. In addition, these financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

(c) Approval of the financial statements

These financial statements were authorized for issue by the Audit Committee and Board of Directors on September 15, 2021.

3. SIGNIFICANT ACCOUNTING POLICIES

(a) Financial instruments

(i) Financial assets

Initial recognition and measurement

A financial asset is measured initially at fair value plus, for an item not at fair value through profit or loss, transaction costs that are directly attributable to its acquisition or issue. On initial recognition, a financial asset is classified as measured at amortized cost or fair value through profit or loss. A financial asset is measured at amortized cost if it meets the conditions that i) the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; ii) the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding; and iii) is not designated as fair value through profit or loss.

Subsequent measurement

The subsequent measurement of financial assets depends on their classification as follows:

Financial assets at fair value through profit or loss

Financial assets measured at fair value through profit or loss are carried in the statement of financial position at fair value with changes in fair value therein, recognized in the statement of comprehensive loss. The Company classifies cash as fair value through profit or loss.

Financial assets measured at amortized cost

A financial asset is subsequently measured at amortized cost, using the effective interest method and net of any impairment allowance, if:

- the asset is held within a business whose objective is to hold assets in order to collect contractual cash flows; and
- the contractual terms of the financial asset give rise, on specified dates, to cash flows that are solely payments of principal and interest.

There are no financial assets classified as measured at amortized cost.

(ii) Financial Liabilities

Financial liabilities are initially recognized at fair value when the Company becomes a party to the contractual provisions of the financial instrument. A financial liability is derecognized when it is extinguished, discharged, cancelled or when it expires. Financial liabilities are classified as either financial liabilities at fair value through profit or loss or financial liabilities subsequently measured at amortized cost. All interest-related charges are reported in profit or loss within interest expense, if applicable. The Company’s financial liabilities included accounts payable and accrued liabilities.

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(a) Financial instruments (Continued)

(iii) Derecognition

A financial asset or, where applicable, a part of a financial asset or part of a group of similar financial assets is derecognized when:

- the contractual rights to receive cash flows from the asset have expired; or
- the Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a ‘pass-through’ arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset; or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

(b) Share capital

Financial instruments issued by the Company are classified as equity only to the extent that they do not meet the definition of a financial liability or financial asset. The Company's common shares are classified as equity instruments.

Incremental costs directly attributable to financing transactions are recorded as deferred financing costs until the financing transactions are completed, if the completion of the transaction is considered likely; otherwise they are expensed as incurred. Share issue costs are charged to share capital when the related shares are issued. Deferred financing costs related to financing transactions that are not completed are expensed.

(c) Earnings (loss) per share

The Company presents basic and diluted earnings (loss) per share data for its common shares, calculated by dividing the loss attributable to common shareholders of the Company by the weighted average number of shares outstanding during the period. Diluted earnings (loss) per share does not adjust the loss attributable to common shareholders or the weighted average number of common shares outstanding when the effect is anti-dilutive.

Shares held in escrow, other than where their release is subject to the passage of time, are not included in the calculation of the weighted average number of common shares outstanding.

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(d) Share-based Payments

The fair value of the options granted to directors and employees is measured at grant date, using the Black-Scholes option pricing model, and is recognized over the period that the options are earned. Share-based payments to non-employees are measured at the grant date by using the fair value of the goods or services received or the fair value ofthe equity instruments issued, if it is determined the fair value of the goods or services cannot be reliably measured, the fair value of the equity instruments issued are recorded at the date the goods or services are received. The offset to the recorded cost is to contributed surplus. Consideration received on the exercise of stock options is recorded as share capital and the related contributed surplus is transferred to share capital.

(e) Income taxes

Tax provisions are recognized when it is considered probable that there will be a future outflow of funds to a taxing authority. In such cases, a provision is made for the amount that is expected to be settled, where this can be reasonably estimated. This requires the application of judgment as to the ultimate outcome, which can change over time depending on facts and circumstances. A change in estimate of the likelihood of a future outflow and/or in the expected amount to be settled would be recognized in income in the period in which the change occurs.

Deferred tax assets or liabilities, arising from temporary differences between the tax and accounting values of assets and liabilities, are recorded based on tax rates expected to be enacted when these differences are reversed. Deferred tax assets are recognized only to the extent it is considered probable that those assets will be recovered. This involves an assessment of when those deferred tax assets are likely to be realized, and a judgment as to whether there will be sufficient taxable profits available to offset the tax assets when they do reverse. This requires assumptions regarding future profitability and is therefore inherently uncertain. To the extent assumptions regarding future profitability change, there can be an increase or decrease in the amounts recognized in respect of deferred tax assets, as well as in the amounts recognized in income in the period in which the change occurs.

Tax provisions are based on enacted or substantively enacted laws. Changes in those laws could affect amounts recognized in income both in the period of change, which would include any impact on cumulative provisions, and in future periods.

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(f) Use of estimates and judgments

The preparation of financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may vary from these estimates.

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Accounting estimates will, by definition, seldom equal the actual results. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future years affected.

Significant areas requiring the use of management's judgments include:

Going concern

Management has applied judgements in the assessment of the Company's ability to continue as a going concern when preparing its financial statements for the period ended June 30, 2021. Management prepares the financial statements on a going concern basis unless management either intends to liquidate the entity or to cease trading or has no realistic alternative but to do so. In assessing whether the going concern assumption is appropriate, management takes into account all available information about the future, which is at least, but is not limited to, twelve months from the end of the reporting period. Please refer to note 1 for additional information.

Significant areas requiring the use of management's estimates include:

Share based payments

The fair value of share-based payments in relation to the warrants and options granted is calculated using a Black Scholes option pricing model. There are a number of estimates used in the calculation such as the expected option life, rate of forfeiture of options granted, risk-free interest rate used and the future price volatility of the underlying securitywhich can vary from actual future events. The factors applied in the calculation are management's best estimates based on industry average and future forecasts.

(g) Standards issued but not yet effective

There are no new standards, interpretations and amendments to existing standards have been issued by the IASB or IFRIC that are applicable or are consequential to theCompany that needs to be disclosed.

4. SHARE CAPITAL

(a) Authorized:

Unlimited number of common shares without par value.

(Expressed in Canadian Dollars)

4. SHARE CAPITAL (Continued)

(b) Issued and outstanding:

During the period from incorporation on January 6, 2021 to June 30, 2021;

- the Company issued 1 common share for $0.05 upon incorporation. The Company subsequently repurchased this share for the same amount, and
- the Company issued 6,000,000 common shares at a price of $0.05 per share for total proceeds of $300,000. The Company also incurred $24,448 share issuance cost in relation to the share issuance.

(c) Options

The Company has a stock option plan whereby the maximum number of shares reserved for issue under the plan shall not exceed 10% of the outstanding common shares of the Company, as at the date of the grant. The maximum number of common shares reserved for issue to any one person under the plan cannot exceed 5% of the issued and outstanding number of common shares at the date of the grant and the maximum numberof common shares reserved for issue to a consultant or a person engaged in investor relations activities cannot exceed 2% of the issued and outstanding number of common shares at the date of the grant. The exercise price of each option granted under the plan may not be less than the Market Price (as that term is defined in the policies of theTSXV). Options may be granted for a maximum term of ten years from the date of the grant, are non-transferable and expire within 90 days, or 30 days for a person engaged ininvestor relations activities, or within reasonable discretion of the board, of termination of employment or holding office as director or officer of the Company.

Period ended	June 30, 2021	
Options outstanding and exercisable	Number of options	Weighted average exercise price $
Beginning of the period	-	-
Issued	600,000	0.10
End of the period	600,000	0.10

The following options were outstanding and exercisable as June 30, 2021:

Expiry date	Exercise price	Number of Options outstanding and exercisable	Remaining life (years)
April 21, 2031	$ 0.10	600,000	9.81

The fair value of the options granted was calculated using the Black-Scholes option pricing model with the following assumptions:

	2021
Risk Free Interest Rate	1.52%
Expected Dividend Yield	-
Expected Volatility	100%
Expected Term in Years	10 years

4. SHARE CAPITAL (Continued)

The Company recorded total fair value of $25,566 as share based compensation for the period ended June 30, 2021 and the weighted average remaining life in years for the options is 9.81 years.

5. RELATED PARTY TRANSACTIONS

Key management personnel include persons having the authority and responsibility for planning, directing and controlling the activities of the Company as a whole. The Company has determined that key management personnel consist of executive and non-executive members of the Board of Directors and corporate officers.

The Company did not have any related party transactions during the period from incorporation on January 6, 2021 to June 30, 2021.

6. FINANCIAL INSTRUMENTS

Fair value measurements of financial instruments are required to be classified using a fair value hierarchy that reflects the significance of inputs used in making the measurements. The levels of the fair value hierarchy are defined as follows:

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities.
Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
Level 3 - Inputs for assets or liabilities that are not based on observable market data.

The Company's financial instruments classified as Level 1 in the fair value hierarchy is cash. The fair value of all other financial instruments which include accounts payable and accrued liabilities approximate their carrying values due to their short-term nature.

(d) Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. Credit risk for the Company is associated with its cash. The Company is not exposed to significant credit risk as its cash is placed with a major Canadian financial institution.

(e) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. The Company is not exposed to significant liquidity risk.

As at June 30, 2021, the Company has cash of $284,360 available to apply against short-term business requirements and current liabilities of $31,769. All of the liabilities presented as accounts payable and accrued liabilities are due within 90 days.

(f) Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market prices. Market risk comprises three types of risk: foreign currency risk, interest rate risk and other price risk. The Company is not exposed to significant market risk.

(Expressed in Canadian Dollars)

7. CAPITAL MANAGEMENT

The Company has just commenced operations. It has not yet determined whether it will be successful in its endeavors and does not generate cash flows from operations. The Company's primary source of funds comes from the issuance of common shares. The Company does not use other sources of financing that require fixed payments of interest and principal due to lack of cash flow from current operations and is not subject to any externally imposed capital requirements.

The Company's objective when managing capital is to safeguard the Company's ability to continue as a going concern.

The Company defines its capital as shareholders' equity. Capital requirements are driven by the Company's general operations. To effectively manage the Company's capital requirements, the Company monitors expenses and overhead to ensure costs and commitments are being paid.

8. INCOME TAXES

Income tax expense differs from the amount that would be computed by applying the Canadian statutory income tax rate of 27% to income before income taxes.

A reconciliation of income taxes at statutory rates with reported taxes is as follows:

	Period from January 6, 2021 to June 30, 2021
	$
Net loss for the period	(33,527)
Statutory income tax rate	27%
Expected income tax (recovery)	(9,052)
Non-deductible items	6,903
Share issuance costs	(6,601)
Change in deferred tax assets not recognized	8,614
Income tax expense (recovery)	-

Deferred taxes reflect the tax effects of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and their corresponding values for tax purposes. The unrecognized deductible temporary differences and unused tax losses as at June 30, 2021 are as follows:

	June 30, 2021
	$
Non-capital loss carryforwards	9,411
Financing costs	22,492
Total unrecognized deductible temporary differences	31,903

The Company has not recognized non-capital loss carryforwards of approximately $9,411 which may be carried forward to apply against future income for Canadian income tax purposes, subject to the final determination by taxation authorities, expiring in the following year:

Expiry	**$**
2041	9,411
Total	9,411

9. EVENTS AFTER THE REPORTING PERIOD

The Company has filed a prospectus with the securities regulatory authorities in the Provinces of Ontario, Alberta and British Columbia and with the TSX-V, offering a minimum of 15,000,000 common shares and maximum 20,000,000 common shares at $0.10 per share as an initial public offering (the "Offering"). Pursuant to an agency agreement between the Company and Canaccord Genuity Corp. (the "Agent"), the Agent will receive a cash commission equal to 10% of the gross proceeds and be granted non-transferable warrants to purchase the number of Common Shares equal to 10% of the number of Common Shares sold pursuant to the Offering at a price of $0.10 per share expiring 60 months from the date the Common Shares are listed on the Exchange. The Agent will also be paid an administrative fee of $15,000 and be reimbursed by the Company for expenses, including legal fees, incurred pursuant to the Offering (of which $15,000 was paid during the period ending June 30, 2021).

Upon closing of the Offering, the Company intends on granting a minimum of 1,500,000 stock options and a maximum of 2,000,000 stock options. Each stock option will be exercisable into one common share of the Company at $0.10 per share for a period of 10 years.