AXCAP VENTURES INC.

FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021

(EXPRESSED IN CANADIAN DOLLARS)

INDEPENDENT AUDITORS' REPORT

To the Shareholders and Directors of Axcap Ventures Inc.

Opinion

We have audited the financial statements of Axcap Ventures Inc. (the "Company") which comprise the statements of financial position as at December 31, 2022 and 2021, and the statements of loss and comprehensive loss, cash flows and changes in equity for the years then ended, and the related notes comprising a summary of significant accounting policies and other explanatory information (together, the "Financial Statements").

In our opinion, the accompanying Financial Statements present fairly, in all material respects, the financial position of the Company as at December 31, 2022 and 2021, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the Financial Statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

We draw attention to Note 2 of the accompanying Financial Statements, which describes matters and conditions that indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Financial Statements for the year ended December 31, 2022. These matters were addressed in the context of our audit of the Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matter described in the Material Uncertainty Related to Going Concern section, the key audit matter to be communicated in our auditors' report is as follows:

Valuation of equity investments in non-public companies

We draw attention to Notes 4(viii) and 8 to the Financial Statements. The Company holds investments in the equity of non-public companies, which are classified as fair value through profit and loss. Equity investments are initially recorded at fair value at the time of acquisition. At each reporting period thereafter, the fair value of an investment may be adjusted by taking into account various circumstances, which requires significant judgement by management.

We considered the valuation of equity investments in non-public companies to be a key audit matter due to the significant judgments used by management when determining their fair values.

Our audit response to this key audit matter included the following:

- We assessed the design and implementation of management's controls over the determination of the estimated fair value of the non-public companies;
- We examined internal and external information received directly from management of the non-public companies to assess the reasonability of management's estimates and to corroborate the information provided by management in its calculations of fair value; and
- Assessing events after the year end which provide indications of fair value.

Other Information

Management is responsible for the other information, which comprises the information included in the Company's Management Discussion & Analysis to be filed with the relevant Canadian securities commissions.

Our opinion on the Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Financial Statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the Financial Statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the Financial Statements in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board, and for such internal control as management determines is necessary to enable the preparation of Financial Statements that are free from material misstatement, whether due to fraud or error.

In preparing the Financial Statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Financial Statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the Financial Statements, including the disclosures, and whether the Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are, therefore, the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditors' report is Fernando J. Costa.

Manning Elliott LLP

CHARTERED PROFESSIONAL ACCOUNTANTS

Vancouver, British Columbia

May 1, 2023

AXCAP VENTURES INC.
STATEMENTS OF FINANCIAL POSITION
AS AT DECEMBER 31, 2022 AND 2021

(Expressed in Canadian Dollars)

		December 31, 2022		December 31, 2021
ASSETS				
Current Assets				
Cash and cash equivalents	$	208,264	$	829,312
Loans receivable (Note 6)		110,437		-
Other receivable (Note 7)		720,000		-
Prepaid expenses		-		4,500
		1,038,701		833,812
Loan receivable (Note 6)		424,000		512,681
Equity investments (Note 8)		1,250,169		825,329
Total Assets	$	2,712,870	$	2,171,822
LIABILITIES AND EQUITY				
Current Liabilities				
Trade and other payables (Notes 9, 18)	$	240,893	$	451,578
EQUITY				
Share capital (Note 10)		23,834,296		22,353,190
Contributed surplus		760,511		760,511
Reserves (Notes 11 and 12)		5,162,969		4,991,141
Deficit		(27,285,799)		(26,384,598)
		2,471,977		1,720,244
Total Liabilities and Equity	$	2,712,870	$	2,171,822

Going Concern (Note 2)

Approved on behalf of the Board of Directors

/s/ Ken Cotiamco	/s/ Desmond Balakrishnan
Ken Cotiamco, Director	Desmond Balakrishnan, Director

The accompanying notes are integral to these financial statements

AXCAP VENTURES INC.
STATEMENTS OF LOSS AND COMPREHENSIVE LOSS

FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021

(Expressed in Canadian Dollars)

		December 31, 2022		December 31, 2021
OPERATING EXPENSES				
Consulting fees (Note 18)	$	-	$	243,269
Depreciation		-		233
Legal and professional fees (Note 18)		106,857		122,248
Marketing and advertising		-		95
Office and administrative (Note 18)		105,757		486,437
Rent		4,500		13,500
Transfer agent and regulatory fees		82,080		24,196
Travel		28,000		4,241
Operating Expenses		(327,194)		(894,219)
OTHER INCOME (EXPENSES)				
Interest income (Note 6)		18,000		54,860
Interest expense		(1,405)		
Foreign exchange gain (loss)		35,222		(140)
Gain on de-recognition of accounts payable		-		302,769
Other		(18,705)		815
Gain on sale of equity investments (Note 8)		120,117		1,041,637
Loss on change in fair value of equity investments (Note 8)		(651,236)		(1,256,671)
Change in fair value of loan receivable		(76,000)		-
		(574,007)		143,270
NET LOSS AND COMPREHENSIVE LOSS	$	(901,201)	$	(750,949)
Basic and diluted loss per share (Note 17)	$	(0.05)	$	(0.15)
Weighted average number of common shares outstanding (basic and diluted) (Note 17)		19,860,919		4,856,589

The accompanying notes are integral to these financial statements

AXCAP VENTURES INC.
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021
(Expressed in Canadian Dollars)

		December 31, 2022		December 31, 2021
Cash Flows used in Operating Activities				
Net loss	$	(901,201)	$	(750,949)
Adjustments for items not affecting cash				
Depreciation		-		233
Gain on sale of equity investments (Note 8)		(120,117)		(1,041,637)
Loss on change in fair value of equity investments (Note 8)		651,235		1,256,671
Change in fair value of loan receivable		76,000		-
Interest income (Note 6)		(4,437)		(12,681)
		(298,520)		(548,363)
Changes in non-cash working capital:				
Other receivables		(720,000)		-
Prepaid expenses		4,500		(4,500)
Trade and other payables		(210,685)		(169,191)
		(1,224,705)		(722,054)
Cash Flows from (used in) Investing Activities				
Purchase of equity investments (Note 8)		(2,493,883)		(552,912)
Sale of equity investments (Note 8)		1,537,926		2,439,549
Loans advanced (Note 6)		(106,000)		(500,000)
Interest received from loans advanced		12,681		-
		(1,049,277)		1,386,637
Cash Flows from Financing Activities				
Issuance of shares, net of costs (Note 10)		1,652,934		-
		1,652,934		-
Changes in cash during the year		(621,048)		664,583
Cash and cash equivalents – Beginning of year		829,312		164,729
Cash and cash equivalents – End of year	$	208,264	$	829,312

Supplemental Cash Flow Information (Note 16)

The accompanying notes are integral to these financial statements

AXCAP VENTURES INC.
STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021
(Expressed in Canadian Dollars)

	Common Shares										
	Number of Shares		**Amount**		**Contributed Surplus**		**Reserves**		**Deficit**		**Total**
Balance – December 31, 2020	4,856,589	$	22,353,190	$	760,511	$	4,991,141	$	(26,633,649)	$	2,471,193
Net and comprehensive loss for the year	-		-		-		-		(750,949)		(750,949)
Balance – December 31, 2021	4,856,589		22,353,190		760,511		4,991,141		(26,384,598)		1,720,244
Shares issued for cash, net of costs	16,954,652		1,481,106		-		-		-		1,481,106
Issuance of finders' warrants	-		-		-		171,828		-		171,828
Net and comprehensive loss for the year	-		-		-		-		(901,201)		(901,201)
Balance – December 31, 2022	21,811,241	$	23,834,296	$	760,511	$	5,162,969	$	(27,285,799)	$	2,471,977

The accompanying notes are integral to these financial statements

1. General Information

Axcap Ventures Inc. ("AVI" or "Axcap" or the "Company") was incorporated on February 20, 1987 under the Business Corporation Act (Ontario). These financial statements have been prepared on a going concern basis, which assumes 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.

Axcap is a public company which is listed on the Canadian Securities Exchange ("CSE") under the symbol "AXCP". The Company's head office is 1090 West Georgia Street, Suite 488, Vancouver, BC, V6E 3V7, and registered and records office is located 1055 W. Georgia Street, Suite 1500, PO Box 11117, Vancouver, BC, V6E 4N7.

2. Going Concern

These financial statements have been prepared by management on a going concern basis, which contemplates the realization of assets and the payment of liabilities in the ordinary course of business. Should the Company be unable to continue as going concern, it may be unable to realize the carrying value of its assets and to meet its liabilities as they become due.

For the year ended December 31, 2022, the Company had an accumulated deficit of $27,285,799 (2021 - $26,384,598), and negative cash flows from operations of $1,224,705 (2021 - $722,054). The Company's ability to continue as a going concern is dependent upon its ability to achieve and maintain profitable operations and to generate funds therefrom or obtain additional financing. There is a risk that additional financing may not be available on a timely basis or on terms acceptable to the Company. These factors cast significant doubt on the Company's ability to continue as a going concern.

These financial statements do not reflect the adjustments to the carrying value of assets and liabilities and the reported expenses and statement of financial position classifications that would be necessary were the going concern assumption inappropriate. These adjustments could be material.

3. Basis of Preparation

a. Statement of Compliance

These financial statements, including comparatives, have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). The principal accounting policies applied in the preparation of these financial statements are set out below.

These policies have been consistently applied to all years presented, unless otherwise stated.

These 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.

b. Functional and Presentation Currency

These financial statements are presented in Canadian dollars. The functional currency of the Company is measured using the principal currency of the primary economic environment in which each entity operates. The functional currency of the Canadian entity is in Canadian dollars.

4. Significant Accounting Policies

(i) Financial Instruments

Financial assets and financial liabilities are recognized when the Company becomes a party to the contractual provisions of the instruments.

Classification

The Company classifies its financial instruments in the following categories: at fair value through profit and loss ("FVTPL"), at fair value through other comprehensive income (loss) ("FVTOCI"), or at amortized cost. The Company determines the classification of financial assets at initial recognition. The classification of debt instruments is driven by the Company's business model for managing the financial assets and their contractual cash flow characteristics. Equity instruments that are held for trading are classified as FVTPL. For other equity instruments, on the day of acquisition the Company can make an irrevocable election (on an instrument-by-instrument basis) to designate them as at FVTOCL. Financial liabilities are measured at amortized cost, unless they are required to be measured at FVTPL (such as instruments held for trading or derivatives) or the Company has opted to measure them at FVTPL.

Measurement

Financial assets and liabilities at amortized cost
Financial assets and liabilities at amortized cost are initially recognized at fair value plus or minus transaction costs, respectively, and subsequently carried at amortized cost less any impairment. An expected credit loss (ECL) allowance is recognized for financial assets measured at amortized cost and for investments in debt instruments measured at FVOCI. The Company does not have any financial assets that require an ECL allowance.

Financial assets and liabilities at FVTPL
Financial assets and liabilities carried at FVTPL are initially recorded at fair value and transaction costs are expensed in profit or loss. Realized and unrealized gain and losses arising from changes in the fair value of the financial assets and liabilities held at FVTPL are included in the statements of loss and comprehensive loss in the period in which they arise.

Impairment of financial assets at amortized cost
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.

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.

Derecognition

Financial assets
The Company derecognizes financial assets only when the contractual rights to cash flows from the financial assets expire, or when it transfers the financial assets and substantially all of the associated risks and rewards of ownership to another entity. Gains and losses on derecognition are generally recognized in the statements of loss and comprehensive loss.

4. Significant Accounting Policies (continued)

(ii) Impairment of Non-Financial Assets

The Company performs impairment tests on its long-lived assets, including property, plant and equipment when new events or circumstances occur, or when new information becomes available relating to their recoverability. When the recoverable amount of each separately identifiable asset or cash generating unit ("CGU") is less than its carrying value, the asset or CGU's assets are written down to their recoverable amount with the impairment loss charged against profit or loss. A reversal of the impairment loss in a subsequent period will be charged against profit or loss. A reversal of the impairment loss in a subsequent period will be charged against profit or loss if there is a significant reversal of the circumstances that caused the original impairment. The impairment will be reversed up to the amount of the depreciated carrying value that would have otherwise occurred if the impairment loss had not occurred.

The CGU's recoverable amount is evaluated using fair value less costs of disposal calculations. In calculating the recoverable amount, the Company utilizes discounted cash flow techniques to determine fair value when it is not possible to determine fair value when active markets or a written offer to purchase. Management calculates the discounted cash flows based upon its best estimate of a number of economic, operating, engineering, environmental, political and social assumptions. Any changes in the assumptions due to changing circumstances may affect the calculation of the recoverable amount.

(iii) Cash and Cash Equivalents

Cash and cash equivalents consist of amounts held in current bank accounts.

(iv) Share Capital

The Company records the proceeds received net of direct issuance costs from the issuance of its common shares as equity. Proceeds received on the issuance of units, consisting of common shares and warrants are allocated between the common shares and warrant component. The Company has adopted the residual method with respect to the measurement of shares and warrants issued as private placement units. The residual method first allocates fair value to the component with the best evidence of fair value and then the residual value, if any, to the less easily measurable component. The fair value of the common shares issued was determined to be the component with the best evidence of fair value. The balance, if any, was allocated to the attached warrants.

(v) Share-Based Payments

Share-based payments to officers, directors and consultants are measured at the fair value of the instruments issued and recognized over the vesting periods. Share-based payments to non-employees are measured at the fair value of goods or services received or the fair value of the equity instruments issued, if it is determined the fair value of the goods or services cannot be reliably measured, and are recorded at the date the goods or services are received. The fair value of options, as determined using the Black-Scholes Option Pricing Model which incorporates all market vesting conditions, is expensed in profit or loss. The corresponding amount is recorded to reserves. The number of shares and options expected to vest is reviewed and adjusted at the end of each reporting period such that the amount recognized for services received as consideration for the equity instruments granted shall be based on the number of equity instruments that will eventually vest.

When the terms of a share-based payment are modified, the minimum expense recognized is the expense as if the terms had not been modified. An additional expense is recognized for any modification which increases the total fair value of the share-based payment arrangement, or is otherwise beneficial to the employee as measured at the date of modification over the remaining vesting period.

4. Significant Accounting Policies (continued)

(vi) Income Taxes

Income tax expense comprises current and deferred tax. Current tax and deferred tax are recognized in profit or loss except to the extent that it relates to a business combination, or items recognized directly in equity or in other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognized for the following temporary differences: the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss, and differences relating to investments in subsidiaries and jointly controlled entities to the extent that it is probable that they will not reverse in the foreseeable future. In addition, deferred tax is not recognized for taxable temporary differences arising on the initial recognition of goodwill. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when the related asset is realized or liability is settled, based on the laws that have been enacted or substantively enacted by the reporting date.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously.

A deferred tax asset is recognized for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

(vii) Foreign Currency Translation

The functional currency of each entity is measured using the currency of the primary economic environment in which that entity operates.

Transactions and Balances

Foreign currency transactions are translated into functional currency using the exchange rates prevailing at the date of the transaction. Foreign currency monetary items are translated at the period-end exchange date. Non-monetary items measured at historical cost continue to be carried at the exchange rate at the date of the transaction. Non-monetary items measured at fair value are reported at the exchange rate at the date when fair values were determined.

Exchange differences arising on the translation of non-monetary items are recognized in other comprehensive income to the extent that gains or losses arising on those non-monetary items are also recognized in other comprehensive income. Where the non-monetary gain or loss is recognized in profit or loss, the exchange component is also recognized in profit or loss.

Exchange differences arising on translation of foreign operations are recognized in other comprehensive income and recorded in the Company's foreign currency translation reserve is equity. These differences are recognized in profit or loss in the period in which the operation is disposed.

4. Significant Accounting Policies (continued)

(viii) Fair Value Measurement

Where fair value is used to measure assets and liabilities in preparing these financial statements, it is estimated at the price at which an orderly transaction to sell the asset or to transfer the liability would take place between market participants at the measurement date under current market conditions. Fair values are determined from inputs that are classified within the fair value hierarchy defined under IFRS 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 the asset or liability that are unobservable

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants acts in their economic best interest.

The Company holds equity investments consisting of common shares and warrants held in public and non-public companies. At the end of each financial reporting period, the Company's management estimates the fair value of its investments based on the criteria below and records such valuations in the financial statements. Warrants of non-public companies are valued using option pricing models when there are sufficient and reliable observable market inputs.

Equity investments are initially recorded at fair value at the time of acquisition. At each reporting period thereafter, the fair value of an investment may, depending on circumstances, be adjusted by taking into account the following circumstances:

- There has been a significant subsequent equity financing provided by outside investors at a valuation above or below the current fair value of the investee, in which case the fair value of the investment is adjusted to reflect the value at which the financing took place;
- Based on financial information received from the investee it is apparent to the Company that the investee is unlikely to be able to continue as a going concern, in which case the fair value of the investment is adjusted downward;
- The investee is placed into receivership or bankruptcy;
- There has been significant corporate, political, operating or economic events affecting the investee that, in the Company's opinion, have a positive or negative impact on the investee's prospects and, therefore, its fair value. In these circumstances, the adjustment to the fair value of the investment will be based on management's judgment and any value estimated may not be ultimately realized or realizable. Such events include, without limitation:
    - receipt or denial of necessary approvals that allow or prevent the investee to proceed with its project(s);
    - release by the investee of positive or negative operating results, which either proves or disproves its business plan; and
    - management personnel changes at the investee level that the Company's management believes will have a very positive or negative impact on the investee's ability to achieve its objectives and build value for shareholders.

4. Significant Accounting Policies (continued)

(viii) Fair Value Measurement (continued)

In addition to the circumstances described above, the Company will take into account general market conditions when determining if an adjustment to the fair value of an investment is warranted at the end of each reporting period.

Application of the valuation techniques described above may involve uncertainties and determinations based on the Company's judgment and any value estimated from these techniques may not be realized. Estimating the fair value for non-public companies involves a significant amount of judgement using Level 2 and Level 3 inputs. The amount at which an investment could be disposed of may differ from its carrying value due to the availability and/or reliability of information available to, and determinations reached by, the Company. Any fair value estimated by the application of these techniques may not ultimately be realized. Transaction costs incurred in the purchase and sale of investments are recorded as an expense in the statement of comprehensive income and loss.

(ix) Earnings (Loss) per Share

Basic earnings (loss) per share is computed by dividing net income (loss) available to common shareholders by the weighted average number of shares outstanding during the reporting period. Diluted earnings (loss) per share is computed similar to basic earnings (loss) per share except that the weighted average shares outstanding are increased to include additional shares for the assumed exercise of stock options and warrants, if dilutive.

The number of additional shares is calculated by assuming that outstanding stock options and share purchase warrants were exercised and that the proceeds from such exercises were used to acquire common stock at the average market price during the reporting periods.

(x) Provisions

Provisions are recorded when a present legal or constructive obligation exists as a result of past events where it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount of the obligation can be made.

(xi) Segment Reporting

Operating segments are defined as components of an enterprise about which separate discrete information is available for evaluation by the chief operating decision maker, or decision-making group, in deciding how to allocate resources and in assessing performance. The Company views its operations and manages its business in one operating segment.

5. Critical Accounting Estimates and Judgements

The preparation of the financial statements in conformity with IFRS requires management to make judgments in applying its accounting policies and estimates and assumptions about the future. These judgments, estimates, and assumptions affect the reported amounts of assets and liabilities at the reporting date and reported amounts of revenues and expenses during the reporting period. Estimates and judgments 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 circumstance. Actual results may differ from these estimates under different assumptions or conditions. The following discusses the most significant accounting judgments, estimates and assumptions that the Company has made in the preparation of its financial statements.

5. Critical Accounting Estimates and Judgements (continued)

Areas of judgement

(i) Going Concern

Determining if the Company has the ability to continue as a going concern is dependent on its ability to achieve profitable operations. Certain judgments are made when determining if the Company will be able to continue as a going concern. Further disclosure is included in Note 2.

(ii) Deferred Tax Asset

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probably that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Management applies judgment in determining the likelihood of future taxable profits.

(iii) Determination of Fair Values

Certain of the Company's assets and liabilities are measured at fair value. In estimating fair value, the Company uses market-observable data to the extent it is available. For equity investments not quoted in an active market, where Level 1 inputs are not available the Company estimates the fair value based on the criteria described under Note 4(viii). Significant judgement is required for the Company's investment in non-public companies using Level 2 and Level 3 inputs.

Assumptions and critical estimates

(i) Tax Assets and Liabilities

Provisions for income taxes are made using the best estimate of the amount expected to be paid or recovered based on a qualitative assessment of all relevant factors. The Company reviews the adequacy of these provisions at the end of each reporting period. However, it is possible that at some future date an additional liability could result from audits by tax authorities. Where the final outcome of these tax-related matters is different from the amounts that were initially recorded, such differences will affect the tax provisions in the period in which such determination is made.

Deferred tax assets and liabilities contain estimates about the nature and timing of future permanent and temporary differences as well as the future tax rates that will apply to those differences. Changes in tax laws and rate as well as changes to the expected timing of reversals may have a significant impact on the amounts recorded for deferred tax assets and liabilities. Management closely monitors current and potential changes to tax law and bases its estimates on the best available information at each reporting date.

(ii) Share-Based Payments

The Company utilizes the Black-Scholes Option Pricing Model ("Black-Scholes") to estimate the fair value of stock options granted to directors, officers and consultants. The use of Black-Scholes requires management to make various estimates and assumptions that impact the value assigned to the stock options including the forecast future volatility of the stock price, the risk-free interest rate, dividend yield and the expected life of the stock options. Any changes in these assumptions could have a material impact on the share-based compensation calculation value, however, the most significant estimate is the volatility.

(Expressed in Canadian Dollars)

6. Loans Receivable

a. Current Loans Receivable

On June 23, 2022, the Company entered into a loan agreement with an unrelated party for principal of $106,000 with interest bearing at 8% per annum and the loan is due within 12 months. As at December 31, 2022, the Company accrued interest of $4,437 and the balance of the loan receivable was $110,437. Subsequent to the year end the amount outstanding was repaid in full.

On February 24, 2021, the Company entered into a loan agreement with an unrelated company (the “Borrower”) for principal of $388,000 with interest bearing at 10% per annum and the loan is due upon the completion of the Borrower’s next financing.

In October 2021, the Company received $411,705 from the Borrower as repayment for the principal and the interest accrued of $23,705. As at December 31, 2021, the loan and interest were fully repaid.

b. Long-Term Loans Receivable

In March 2021, the Company participated in an unsecured debenture financing of an unrelated third party (the “Borrower”) in the amount of $500,000 and due on April 30, 2024. Instead of interest payments, the Company is entitled to receive a participation right payments equal to five percent of the Borrower’s realized net monthly revenues within 30 days of each month-end. Such participation right payments shall be calculated from the Borrower’s realized net revenues reported in the monthly financial report, which is submitted to the Borrower’s regulators adjusted for non-realized inventory gains or losses. In addition, the Company shall receive annually, a net profit interest participation right payment within 90 days of each fiscal years of from 2021, 2022, and 2023, equal to five percent of the Corporation’s net realized profits.

In January 2022, the Company and the Borrower signed an amending agreement to the original debenture agreement whereby effective January 1, 2022, the participation right payment shall equal to 0.05% of the Borrower’s realized net operating income, instead of five percent in the original agreement. Furthermore, the Company shall receive annually a net profit participation right payment equal to 0.05% of the Borrower’s net realizable profit instead of five percent in the original agreement.

During the year ended December 31, 2022, the Company received $24,077 in participation right payments, of which $12,681 was payment for 2021, from the Borrower. The fair value of the loan receivable was $424,000 as at December 31, 2022 (2021 - $500,000).

7. Other Receivable

During the year, the Company advanced a public company $800,000 for the purchase of common shares. Subsequent to the year ended December 31, 2022, the Company received $720,000 back from the public company.

8. Equity Investments

The Company’s equity investments are comprised of investments in common shares of Canadian publicly traded and non-public companies. The Company measures its equity investments at fair value through profit or loss (“FVTPL”). The cost and fair values of the equity investments at December 31, 2022 and 2021 are as follows:

		December 31, 2022		**December 31, 2021**
Opening Balance	$	825,329	$	2,927,000
Additions		2,493,883		552,912
Disposals		(1,417,807)		(1,397,912)
Change in fair value loss		(651,236)		(1,256,671)
Ending Balance	$	1,250,169	$	825,329

(Expressed in Canadian Dollars)

9. Trade and Other Payables

		December 31, 2022		December 31, 2021
Taxes payable	$	48,262	$	48,262
Trade payables		192,631		403,315
	$	240,893	$	451,578

Trade and other payables are comprised primarily of trade payables incurred in the normal course of business. Included in trade payables are amounts total $88,832 (December 31, 2021 - $152,031) due to related parties (see Note 18).

10. Share Capital

a. Authorized Share Capital

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

b. Issued Share Capital

In February 2022, the Company closed the first tranche of its non-brokered private placement comprising of 15,654,825 units with a price of $0.11 per unit for gross proceeds of $1,722,031. Each unit consisted of one common share and one transferable common share purchase warrant. Each warrant is exercisable into one additional share at an exercise price of $0.115 per warrant on or before February 7, 2027. Using the residual method, the entire gross proceeds of $1,722,031 have been allocated to the shares and $nil to the warrants.

In connection with the first tranche of the financing, the Company paid aggregate cash finder's fees totalling $172,203 and issued 1,565,582 finder's warrants to certain qualified arm's length finders. Each finder's warrant is exercisable into one share at an exercise price of $0.115 per finder's warrant on or before February 7, 2027. The fair value of the finder's warrants is $159,772 and allocated to warrant reserve. The finder's warrants are valued using the Black-Scholes Option Pricing Model with the following assumptions: annualized volatility of 140.04%, risk-free interest rate of 1.68%, expected life of 5 years and a dividend rate of Nil.

In March 2022, the Company closed the second tranche of its non-brokered private placement comprising of 1,181,661 units with a price of $0.11 per unit for gross proceeds of $129,983. Each unit consisted of one common share and one transferable common share purchase warrant. Each warrant is exercisable into one additional share at an exercise price of $0.115 per warrant on or before March 31, 2027.

In connection with the second tranche of the financing, the Company issued 118,166 finder's units and 118,166 finder's warrants to certain qualified arm's length finders. Each finder's unit consists of one share and one finder's unit warrant. Each finder's warrant and finder's unit warrant is exercisable into one finder's warrant share at an exercise price of $0.115 per finder's warrant share on or before March 31, 2027. The fair value of the finder's unit is $12,056 and allocated to share issuance costs, and the fair value of the finder's warrants is $12,056 and allocated to warrant reserve. The finder's units and finder's warrants are valued the Black-Scholes Option Pricing Model with the following assumptions: annualized volatility of 139.10%, risk-free interest rate of 2.42%, expected life of 5 years and a dividend rate of Nil.

As at December 31, 2022, the Company had 11,195,546 shares held in escrow.

11. Warrants

As at December 31, 2022, the Company have the following warrants issued and outstanding.

Date Issued	Expiry Date	Exercise Price	Number of Warrants Outstanding
February 7, 2022	February 7, 2027	$ 0.115	17,220,407
March 31, 2022	March 31, 2027	$ 0.115	1,417,993
			18,638,400

(Expressed in Canadian Dollars)

11. Warrants (continued)

The following is a summary of the Company's warrant activities:

	Number of Warrants
Outstanding at December 31, 2021	-
Issued	18,638,400
Exercised	-
Outstanding at December 31, 2022	18,638,400

The weighted average exercise price and weighted average life are $0.115 and 4.12 years, respectively.

12. Stock Options

The Company adopted a stock option plan (the "Plan") whereby it can grant stock options to directors, officers, employees, and consultants of the Company. 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 Company at any time.

The changes in stock options outstanding are summarized as follows:

	Weighted Average Exercise Price	**Number of Shares Issued or Issuable on Exercise**
Balance – December 2022 and 2021	$ 8.75	54,371

The Company recorded a total of $nil (2021 - $nil) in share-based expenses for the year ended December 31, 2022.

Stock options outstanding and exercisable as at December 31, 2022 are summarized as follows:

	Options Outstanding			**Options Exercisable**	
Exercise Price	Number of Shares Issuable on Exercise	Weighted Average Remaining Life (Years)	Weighted Average Exercise Price	Number of Shares Issuable on Exercise	Weighted Average Exercise Price
$8.75	54,371	1.20	$8.75	54,371	$8.75

13. Income Taxes

The following table reconciles the expected income tax expense (recovery) at the Canadian statutory income tax rates to the amounts recognized in the statement of loss and comprehensive loss:

	December 31, 2022	**December 31, 2021**
Income (loss) before income tax	$ (901,201)	$ (750,949)
Statutory income tax rate	27%	27%
Expected income tax expense (recovery)	(243,324)	(202,756)
Permanent and other differences	(69,977)	208
Non-taxable portion of capital gain	128,957	29,029
Change in deferred tax assets not recognized	184,344	173,519
Total income tax expense	$ -	$ -

(Expressed in Canadian Dollars)

13. Income Taxes (continued)

	December 31, 2022	December 31, 2021
Current tax expense	$ -	$ -
Deferred tax expense	-	-
Total tax expense	$ -	$ -

The significant components of deferred income tax assets and liabilities as at December 31, 2022 and December 31, 2021 are comprised of the following:

	December 31, 2022	December 31, 2021
Non-capital loss carry forward	$ 2,122,776	$ 2,032,621
Capital loss carry forward	3,856,840	3,873,056
Financing cost	43,009	-
Exploration and evaluation assets	174,069	174,069
Equipment	640	640
Equity investments	(2,848)	(70,244)
Unrecognized deferred income tax assets	(6,194,486)	(6,010,142)
Net deferred income tax assets	$ -	$ -

The Company has not recognized a deferred tax asset in respect of non-capital loss carry forward of approximately $7,862,132 (2021 - $7,528,227) 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 years:

	$
Non-capital losses expire as follows:	
2036	93,879
2037	99,314
2038	3,521,958
2039	1,598,540
2040	1,520,447
2041	694,089
2042	333,905
	7,862,132

14. Capital Management

The Company manages its capital structure, consisting of share capital, and will make adjustments to it depending on the funds available to the Company for its future operations. 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 is dependent on external financing to fund its activities. In order to carry out its planned operations and pay for future general and administrative expenses, the Company expects to issue new shares, issue debt, acquire or dispose of assets or adjust the amount of cash.

Management reviews its capital management approach on an ongoing basis and believes that this approach, given the size of the Company, is reasonable. The Company is not subject to externally imposed capital requirements. There were no changes in the Company's approach to capital management during the years ended December 31, 2022 and 2021.

(Expressed in Canadian Dollars)

15. Financial Instruments

The Company's financial assets and liabilities by category and information about financial assets and liabilities measured at fair value on a recurring basis in the statement of financial position are classified and measured as follows:

	Category		December 31, 2022		December 31, 2021
Financial Assets					
Cash and cash equivalents	FVTPL	$	208,264	$	829,312
Equity investments	FVTPL	$	1,250,169	$	825,329
Other receivable	Amortized cost	$	720,000	$	-
Loans receivable	FVTPL	$	424,000	$	512,681
Financial Liabilities					
Trade and other payables	Amortized cost	$	240,893	$	451,578

Due to the short-term nature of trade and other payables, the Company determined that the carrying amounts of these financial instruments approximate their fair value.

The following table presents the Company's financial instruments, measured at fair value, and categorized into levels of the fair value hierarchy:

		Balance at December 31, 2022		Quoted Prices in Active Markets (Level 1)		Significant Other Observable Inputs (Level 2)		Significant Unobservable Inputs (Level 3)
Cash and cash equivalents	$	208,264	$	208,264	$	-	$	-
Equity investments	$	1,250,169	$	602,385	$	647,784	$	-
Loan receivable	$	424,000	$	-	$	-	$	424,000

During the year ended December 31, 2022 the Company transferred $358,750 of equity investments from a level 2 input to a level 3. The amounts transferred were written down to their fair value of Nil. There were no transfers between the Levels of the fair value hierarchy during the year ended December 31, 2021.

The Company's risk management policies are established to identify, analyze and manage the risks faced by the Company and to implement appropriate procedures to monitor risks and adherence to established controls. Risk management policies and systems are reviewed periodically in response to the Company's activities and to ensure applicability. In the normal course of business, the main risks arising from the Company's use of financial instruments include credit risk, liquidity risk, market risk and currency risk. These risks, and the actions taken to manage them, include:

(a) Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. Credit risk arises from cash held with banks, cash on deposit with fiat to cryptocurrency exchanges and from outstanding trade receivables. The Company minimizes credit risk associated with its cash balance substantially by dealing with financial institutions deemed to be reliable due to their history of operations. The Company assessed its credit risk to be low.

(b) 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. The Company attempts to ensure there is sufficient access to funds to meet on-going business requirements, taking into account its current cash position and potential funding sources. Liquidity risk is assessed as low.

15. Financial Instruments (continued)

(c) Currency risk

Currency risk is the risk that the value of financial assets and liabilities denominated in currencies, other than the functional currency of the Company, will fluctuate due to changes in foreign currency exchange rates. The Company does not use derivative instruments to reduce its exposure to foreign currency risk. The Company is exposed to foreign currency risk through cash held in bank and investment accounts which are denominated in United States dollars (USD).

(d) Price risk

The Company's net income or loss, and financial condition were subject to price risk due to fluctuations of the following:

Equity Price Risk
The Company is exposed to equity price risk through its equity investments and unfavourable market conditions could result in dispositions of equity investments at less than favourable prices, especially during periods of overall market instability. The Company manages its equity price risk by having a portfolio of equity investments not singularly exposed to any one issuer.

16. Supplemental Cash Flow Information

The Company paid $nil (2021 - $nil) in income taxes and paid $1,405 (2021 - $nil) for interest expense during the years ended December 31, 2022 and 2021.

17. Loss Per Share

The following table sets forth the computation of basic and diluted loss per share for the years ended December 31, 2022 and 2021:

		December 31, 2022		December 31, 2021
Numerator				
Net loss for the year	$	(901,201)	$	(750,949)
Denominator				
Basic – weighted average number of shares outstanding		19,860,919		4,856,589
Effect of dilutive securities		-		-
Diluted – adjusted weighted average number of shares outstanding		19,860,919		4,856,589
Loss per share – basic and diluted	$	(0.05)	$	(0.15)

The basic loss per share is computed by dividing the net loss by the weighted average number of common shares outstanding during the period.

The diluted loss per share reflects the potential dilution of common share equivalents, such as outstanding stock options, and share purchase warrants, in the weighted average number of common shares outstanding during the year, if dilutive.

Share purchase warrants and stock options were excluded from the calculation of diluted weighted average number of common shares outstanding during the year ended December 31, 2022 as the warrants and stock options were anti-dilutive.

(Expressed in Canadian Dollars)

18. 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 management and directors in common, such as:

a. Lannister Mining – an investee of the Company whereby the CFO of Lannister Mining was the former CFO of the Company, and the interim CEO of Lannister Mining is a director of the Company.

b. Purpose ESG – an investee of the Company whereby the CFO of Purpose ESG was the former CFO of the Company.

During the years ended December 31, 2022 and 2021, the Company paid and/or accrued salaries, commissions, consulting and professional fees to management personnel and directors:

		December 31, 2022		**December 31, 2021**
Management (current and former)	$	84,000	$	416,400
Directors (current and former)		19,820		228,082
	$	103,820	$	644,482

During the year ended December 31, 2022, the Company incurred legal expenses of $79,452 (2021 - $35,587) to a law firm, a partner of which is a director of the Company.

Due to Related Parties

As at December 31, 2022 and 2021, the Company has the following amounts due to related parties:

		December 31, 2022		**December 31, 2021**
Accounts payable and accrued liabilities	$	88,832	$	152,031

The amounts due to related parties are unsecured, non-interest bearing and due on demand.