

AXCAP VENTURES INC.

**CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED MARCH 31, 2023 AND 2022**

**(EXPRESSED IN CANADIAN DOLLARS)
(UNAUDITED)**

**MANAGEMENT'S COMMENTS ON
UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS**

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

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

The accompanying unaudited condensed consolidated interim financial statements of Axcap Ventures Inc. (the "Company") have been prepared and are the responsibility of the Company's management. The unaudited condensed consolidated interim financial statements are prepared in accordance with International Financial Reporting Standards and reflect management's best estimates and judgment based on information currently available.

The Company's independent auditor, Manning Elliott LLP, has not performed a review of these condensed consolidated interim financial statements in accordance with standards established by the Chartered Professional Accountants of Canada for a review of the condensed interim financial statements by an entity's auditor.

AXCAP VENTURES INC.
INTERIM STATEMENTS OF FINANCIAL POSITION
AS AT MARCH 31, 2023 (UNAUDITED)

(Expressed in Canadian Dollars)

	March 31, 2023	December 31, 2022
ASSETS		
Current Assets		
Cash and cash equivalents	\$ 745,642	\$ 208,264
Loans receivable	-	110,437
Other receivable	-	720,000
	745,642	1,038,701
Long-term loan receivable (Note 5)	424,087	424,000
Equity investments (Note 6)	1,856,081	1,250,169
Total Assets	\$ 3,025,810	\$ 2,712,870
LIABILITIES AND EQUITY		
Current Liabilities		
Trade and other payables (Note 7)	\$ 249,022	\$ 240,893
EQUITY		
Share capital (Note 8)	23,834,296	23,834,296
Contributed surplus	760,511	760,511
Reserves (Notes 9 and 10)	5,162,969	5,162,969
Deficit	(26,980,988)	(27,285,799)
	2,776,788	1,471,977
Total Liabilities and Equity	\$ 3,025,810	\$ 1,712,870

Going Concern (Note 2)

Approved on behalf of the Board of Directors

/s/ Ken Cotiamco
Ken Cotiamco,
Director

/s/ Desmond Balakrishnan
Desmond Balakrishnan,
Director

AXCAP VENTURES INC.
INTERIM STATEMENTS OF INCOME AND COMPREHENSIVE INCOME
FOR THE THREE MONTHS ENDED MARCH 31, 2023 AND 2022 (UNAUDITED)

(Expressed in Canadian Dollars)

	March 31, 2023	March 31, 2022
OPERATING EXPENSES		
Consulting fees	\$ 9,155	\$ -
Legal and professional fees	200	1,101
Office and administrative	229	62,526
Rent	-	4,500
Transfer agent and regulatory fees	6,974	17,692
Operating Expenses	16,558	85,819
OTHER INCOME (EXPENSES)		
Interest income (Note 5)	665	3,701
Interest expense	(1,578)	(161)
Foreign exchange loss	(3,088)	-
Gain on excess GST write-off	(893)	(3,138)
Gain (loss) on sale of equity investments (Note 6)	131,966	(5,190)
Gain on change in fair value of equity investments (Note 6)	194,297	376,166
Other Income	321,369	371,378
NET INCOME AND COMPREHENSIVE INCOME	\$ 304,811	\$ 285,559
Basic and diluted earnings per share (Note 14)	\$ 0.01	\$ 0.02
Weighted average number of common shares outstanding (basic and diluted) (Note 14)	21,811,241	13,901,599

The accompanying notes are integral to these financial statements

AXCAP VENTURES INC.
INTERIM STATEMENTS OF CASH FLOWS
FOR THE THREE MONTHS ENDED MARCH 31, 2023 AND 2022 (UNAUDITED)

(Expressed in Canadian Dollars)

	Three Months Ended March 31, 2023	Three Months Ended March 31, 2022
Cash Flows from (used in) Operating Activities		
Net income (loss)	\$ 304,811	\$ 285,559
Adjustments for items not affecting cash		
Loss (gain) on sale of equity investments (Note 6)	(131,966)	5,190
Loss (gain) on change in fair value of equity investments (Note 6)	(194,297)	(376,166)
Interest income (Note 5)	(87)	(3,702)
	304,811	(89,119)
Changes in non-cash working capital:		
Trade and other receivables	720,000	-
Prepaid expenses	-	4,500
Trade and other payables	8,129	(300,918)
	706,590	(385,537)
Cash Flows from (used in) Investing Activities		
Purchase of equity investments (Note 6)	(1,337,138)	(734,832)
Sale of equity investments (Note 6)	1,057,489	236,530
Repayment from loans advanced (Note 5)	110,437	-
	(169,212)	(498,302)
Cash Flows from Financing Activities		
Issuance of shares (Note 8)	-	1,507,991
Issuance of warrants (Note 9)	-	171,828
	-	1,679,819
Changes in cash during the year	537,378	795,980
Cash and cash equivalents – Beginning of period	208,264	829,312
Cash and cash equivalents – End of period	\$ 745,642	\$ 1,625,292

Supplemental Cash Flow Information (Note 13)

The accompanying notes are integral to these financial statements

AXCAP VENTURES INC.
INTERIM STATEMENTS OF CHANGES IN EQUITY
FOR THE THREE MONTHS ENDED MARCH 31, 2023 AND 2022 (UNAUDITED)

(Expressed in Canadian Dollars, except number of shares)

	Common Shares		Contributed Surplus	Reserves	Deficit	Total
	Number of Shares	Amount				
Balance – December 31, 2021	4,856,589	\$ 22,353,190	\$ 760,511	\$ 4,991,141	\$ (24,384,598)	\$ 1,720,244
Issuance of shares for cash	16,954,652	1,507,991	-	-	-	1,507,991
Issuance of finder's warrants	-	-	-	171,828	-	171,828
Net and comprehensive income for the period	-	-	-	-	285,559	285,559
Balance – March 31, 2022	21,811,241	23,861,181	760,511	5,162,969	(26,099,039)	3,685,622
Share issuance costs	-	(26,885)	-	-	-	(26,885)
Net and comprehensive loss for the period	-	-	-	-	(1,186,760)	(1,186,760)
Balance – December 31, 2022	21,811,241	23,834,296	760,511	5,162,969	(27,285,799)	2,471,977
Net and comprehensive income for the period	-	-	-	-	304,811	304,811
Balance – March 31, 2023	21,811,241	\$ 23,834,296	\$ 760,511	\$ 5,162,969	\$ (26,980,988)	\$ 2,776,788

The accompanying notes are integral to these financial statements

AXCAP VENTURES INC.
NOTES TO CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED MARCH 31, 2023 AND 2022 (UNAUDITED)

(Expressed in Canadian Dollars, except per share amounts)

1. General Information

Axcap Ventures Inc. (formerly Netcoins Holdings 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” (see Note 18). 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 condensed interim 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 three months ended March 31, 2023, the Company had an accumulated deficit of \$26,980,988, and cash flow from operations of \$706,590. 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 condensed interim financial statements, including comparatives, have been prepared in accordance with International Accounting Standard 34 “Interim Financial Reporting” (“IAS 34”) using accounting policies consistent with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”) and interpretations of the International Financial Reporting Issues Committee (“IFRIC”). Accordingly, these condensed interim financial statements do not include all of the information and footnotes required by IFRS for complete financial statements for year-end reporting process.

These condensed interim financial statements follow the same accounting policies and methods of application the Company’s audited financial statements for the year ended December 31, 2022. The policies applied in these condensed interim financial statements are based on IFRS issued as of May 25, 2023, the date the Board of Directors approved the financial statements. These condensed interim financial statements should be read in conjunction with the Company’s financial statements for the year ended December 31, 2022.

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 condensed interim 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.

AXCAP VENTURES INC.
NOTES TO CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED MARCH 31, 2023 AND 2022 (UNAUDITED)

(Expressed in Canadian Dollars, except per share amounts)

4. 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.

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(ix) in the audited financial statements for the year ended December 31, 2022.

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.

AXCAP VENTURES INC.
NOTES TO CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED MARCH 31, 2023 AND 2022 (UNAUDITED)

(Expressed in Canadian Dollars, except per share amounts)

5. 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. In January 2023, the Company received \$110,716 as repayment for both principal and interest. The Company considered the loan as 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 payment 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 year of from 2021, 2022, and 2023, equal to five percent of the Corporation's net realized profits. See Note 18(a).

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 0.5% 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 0.5% of the Borrower's net realizable profit instead of five percent in the original agreement.

During the three months ended March 31, 2023, the Company accrued \$87 in participation right payment from the Borrower as interest income. The fair value of the loan receivable was \$424,000 as at Mar 31, 2022 (December 31, 2022 - \$424,000).

6. 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 March 31, 2023 and December 31, 2022 are as follows:

	March 31, 2023	December 31, 2022
Opening Balance	\$ 1,250,169	\$ 825,329
Additions	1,337,138	2,493,883
Disposals	(925,523)	(1,417,807)
Change in fair value gain (loss)	194,297	(651,236)
Ending Balance	\$ 1,856,081	\$ 1,250,169

7. Trade and Other Payables

	March 31, 2023	March 31, 2022
Taxes payable	\$ 48,262	\$ 48,262
Trade payables	200,760	102,398
	\$ 249,022	\$ 150,660

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, 2022 - \$88,832) due to related parties (see Note 15).

**AXCAP VENTURES INC.
NOTES TO CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED MARCH 31, 2023 AND 2022 (UNAUDITED)**

(Expressed in Canadian Dollars, except per share amounts)

8. 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.

c. Restricted Share Units

Pursuant to the Company's fixed number restricted share unit ("RSU") plan, the Company awarded a total of 80,000 RSU to certain directors, officers and employees in October 2018. 50% of the awarded RSU vested immediately and the remaining 50% vested on April 17, 2019. The shares awarded pursuant to the RSU are equity settled and based on the fair value at date of grant.

AXCAP VENTURES INC.
NOTES TO CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED MARCH 31, 2023 AND 2022 (UNAUDITED)

(Expressed in Canadian Dollars, except per share amounts)

9. Warrants

As at March 31, 2023, the Company had the following warrants 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

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

	Number of Warrants
Outstanding at December 31, 2021	-
Issued	18,638,400
Outstanding at March 31, 2023 and December 31, 2022	18,638,400

The weighted average exercise price and weighted average life are \$0.115 and 3.87 years, respectively.

10. 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 31, 2022	\$	8.75	54,371
Expired		8.75	(54,371)
Balance – March 31, 2023	\$	-	-

11. 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 three months ended March 31, 2023 and the year ended December 31, 2022.

AXCAP VENTURES INC.
NOTES TO CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED MARCH 31, 2023 AND 2022 (UNAUDITED)

(Expressed in Canadian Dollars, except per share amounts)

12. 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:

			March 31, 2023	December 31, 2022
Category				
Financial Assets				
Cash and cash equivalents	FVTPL	\$	745,642	\$ 208,264
Equity investments	FVTPL	\$	1,856,081	\$ 1,250,169
Other receivable	Amortized cost	\$	-	\$ 720,000
Long-term loans receivable	FVTPL	\$	424,087	\$ 424,000
Financial Liabilities				
Trade and other payables	Amortized cost	\$	249,022	\$ 240,893

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 March 31, 2023	Quoted Prices in Active Markets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Cash and cash equivalents	\$ 745,642	\$ 745,642	\$ -	\$ -
Equity investments	\$ 1,856,081	\$ 960,177	\$ 895,904	\$ -
Loan receivable	\$ 424,087	\$ -	\$ 87	\$ 424,000

During the three months ended March 31, 2023 and during the year ended December 31, 2022, the Company transferred \$358,750 equity investments from a level 2 input to a level 3. The amounts transferred were written down to their fair value of \$nil.

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.

AXCAP VENTURES INC.
NOTES TO CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED MARCH 31, 2023 AND 2022 (UNAUDITED)

(Expressed in Canadian Dollars, except per share amounts)

12. 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 previously was exposed to foreign currency risk through cash in banks and cash on deposit with fiat to cryptocurrency exchanges 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.

13. Supplemental Cash Flow Information

The Company paid \$nil (March 31, 2022 - \$nil) in income taxes and did not pay cash for interest expense during the three months ended March 31, 2023 and 2022.

14. Earnings (Loss) Per Share

The following table sets forth the computation of basic and diluted earnings (loss) per share for the three months ended March 31, 2023 and 2022:

		March 31, 2023		March 31, 2022
Numerator				
Net income (loss) for the period	\$	304,811	\$	285,559
Denominator				
Basic – weighted average number of shares outstanding		21,811,241		13,901,599
Effect of dilutive securities		-		-
Diluted – adjusted weighted average number of shares outstanding		21,811,241		13,901,589
Earnings (loss) per share – basic and diluted	\$	0.01	\$	0.02

The basic earnings (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 three months ended March 31, 2023 and the year ended December 31, 2022 as the warrants and stock options were anti-dilutive.

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NOTES TO CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED MARCH 31, 2023 AND 2022 (UNAUDITED)

(Expressed in Canadian Dollars, except per share amounts)

15. 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 three months ended March 31, 2023 and 2022, the Company paid and/or accrued salaries, commissions, consulting and professional fees to management personnel and directors:

	March 31, 2023		March 31, 2022	
Management (current and former)	\$	-	\$	47,250
Directors (current and former)		-		4,110
	\$	-	\$	51,360

During the three months ended March 31, 2023, the Company incurred legal expenses of \$nil (March 31, 2022 - \$nil) to a law firm, a partner of which is a director of the Company.

Due to Related Parties

As at March 31, 2023 and December 31, 2022, the Company has the following amounts due to related parties:

	March 31, 2023		December 31, 2022	
Accounts payable and accrued liabilities	\$	88,832	\$	88,832

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