

AXCAP VENTURES INC.

**CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE THREE AND SIX MONTHS ENDED JUNE 30, 2024 AND 2023**

**(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 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 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 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.

**INTERIM STATEMENTS OF FINANCIAL POSITION
AS AT JUNE 30, 2024 (UNAUDITED)**
(Expressed in Canadian Dollars)

	June 30, 2024	December 31, 2023
ASSETS		
Current Assets		
Cash	\$ 174,925	\$ 110,063
Loans receivable (Note 6)	786,341	411,018
Prepaid expenses	2,779	-
	964,045	521,081
Loan receivable (Note 6)	-	-
Equity investments (Note 7)	295,335	713,379
Total Assets	\$ 1,259,380	\$ 1,234,460
LIABILITIES AND EQUITY		
Current Liabilities		
Trade and other payables (Notes 8, 15)	\$ 849,445	\$ 479,648
EQUITY		
Share capital (Note 9)	23,984,296	23,834,296
Contributed surplus	760,511	760,511
Reserves (Notes 10 and 11)	5,162,969	5,162,969
Deficit	(29,497,841)	(29,002,964)
	409,935	754,812
Total Liabilities and Equity	\$ 1,259,380	\$ 1,234,460

Going Concern (Note 2)

Approved on behalf of the Board of Directors

 /s/ Ken Cotiamco
 Ken Cotiamco,
 Director

 /s/ Desmond Balakrishnan
 Desmond Balakrishnan,
 Director

The accompanying notes are integral to these condensed interim financial statements

**INTERIM STATEMENTS OF INCOME (LOSS) AND COMPREHENSIVE INCOME (LOSS)
FOR THE THREE AND SIX MONTHS ENDED JUNE 30, 2024 AND 2023 (UNAUDITED)**
(Expressed in Canadian Dollars)

	For the Three Months Ended		For the Six Months Ended	
	June 30, 2024	June 30, 2023	June 30, 2024	June 30, 2023
OPERATING EXPENSES				
Consulting and management fees (Note 15)	\$ 221,018	\$ 23,375	\$ 278,933	\$ 32,530
Legal and professional fees (Note 15)	102,557	66,790	110,584	66,990
Marketing and advertising	-	118	-	118
Office and administrative (Note 15)	61,465	10,071	106,616	10,300
Transfer agent and regulatory fees	20,252	7,086	23,978	14,060
Travel	2,774	15,000	2,774	15,000
Operating Expenses	408,066	122,440	522,885	138,998
OTHER INCOME (EXPENSES)				
Foreign exchange loss (gain)	(4,703)	(1,967)	(4,097)	(5,055)
Interest income (Note 6)	9,232	393	15,457	1,058
Interest expense	(420)	(28)	(420)	(1,606)
Other	(13,369)	(5,515)	(19,378)	(6,408)
Gain (loss) on sale of equity investments (Note 7)	(77,328)	(242,532)	(110,746)	(110,566)
Gain (loss) on change in fair value of equity investments (Note 7)	(25,761)	150,022	147,192	344,319
	(112,349)	(99,627)	28,008	221,742
NET INCOME (LOSS) AND COMPREHENSIVE INCOME (LOSS)	\$ (520,415)	\$ (222,067)	\$ (494,877)	\$ 82,744
Basic and diluted earnings (loss) per share (Note 14)	\$ (0.22)	\$ (0.10)	\$ (0.22)	\$ 0.04
Weighted average number of common shares outstanding – basic and diluted (Note 14)	2,400,904	2,181,109	2,291,014	2,181,109

The accompanying notes are integral to these condensed interim financial statements

**INTERIM STATEMENTS OF CASH FLOWS
FOR THE SIX MONTHS ENDED JUNE 30, 2024 AND 2023 (UNAUDITED)**
(Expressed in Canadian Dollars)

	Six Months Ended June 30, 2024	Six Months Ended June 30, 2023
Cash Flows from (used in) in Operating Activities		
Net loss	\$ (494,877)	\$ 82,744
Adjustments for items not affecting cash		
Loss (gain) on sale of equity investments (Note 7)	110,746	110,566
Loss (gain) on change in fair value of equity investments (Note 7)	(147,192)	(344,319)
Interest income (Note 6)	(15,323)	(87)
	(546,646)	(151,096)
Changes in non-cash working capital:		
Other receivables	-	720,000
Prepaid expenses	(2,779)	-
Trade and other payables	369,797	31,378
	(179,628)	600,282
Cash Flows from (used in) Investing Activities		
Purchase of equity investments (Note 7)	(171,233)	(1,756,885)
Sale of equity investments (Note 7)	625,723	1,486,411
Loan to unrelated party	(360,000)	-
Repayment from loans advanced (Note 6)	-	110,437
	94,490	(160,037)
Cash Flows from (used in) Financing Activities		
Issuance of shares (Note 8)	150,000	-
Changes in cash during the period	64,862	440,245
Cash— Beginning of period	110,063	208,264
Cash – End of period	\$ 174,925	\$ 648,509

The accompanying notes are integral to these condensed interim financial statements

**INTERIM STATEMENTS OF CHANGES IN EQUITY
FOR THE SIX MONTHS ENDED JUNE 30, 2024 AND 2023 (UNAUDITED)**

(Expressed in Canadian Dollars, except number of shares)

	Common Shares		Contributed Surplus	Reserves	Deficit	Total
	Number of Shares	Amount				
Balance – December 31, 2022	2,181,109	\$ 23,834,296	\$ 760,511	\$ 5,162,969	\$ (27,285,799)	\$ 2,471,977
Net and comprehensive income for the period	-	-	-	-	82,744	82,744
Balance – June 30, 2023	2,181,109	23,834,296	760,511	5,162,969	(27,203,055)	2,554,721
Net and comprehensive loss for the period	-	-	-	-	(1,799,909)	(1,799,909)
Balance – December 31, 2023	2,181,109	23,834,296	760,511	5,162,969	(29,002,964)	754,812
Share issued for cash	2,000,000	150,000	-	-	-	150,000
Net and comprehensive income for the period	-	-	-	-	(494,877)	(494,877)
Balance – June 30, 2024	4,181,109	\$ 23,984,296	\$ 760,511	\$ 5,162,969	\$ (29,497,841)	\$ 409,935

Effective May 21, 2024, the Corporation consolidated its issued and outstanding common shares on a 10 to 1 basis which resulted in 2,181,109 shares outstanding post-consolidation. All references to common shares and warrants in these condensed interim financial statements have been adjusted to reflect this change.

The accompanying notes are integral to these condensed interim financial statements

NOTES TO FINANCIAL STATEMENTS**FOR THE THREE AND SIX MONTHS ENDED JUNE 30, 2024 AND 2023 (UNAUDITED)***(Expressed in Canadian Dollars)***1. General Information**

Axcap Ventures Inc. ("AVI" or "Axcap" or the "Company") was incorporated on February 20, 1987 under the Business Corporation Act (Ontario). Axcap's principal business activity is focused on investing in various industries, including life sciences, mining and exploration, industrial, and technology which involves a high degree of risk and there can be no assurance that current investment programs will result in profitable operations. These condensed interim financial statements have been prepared on a going concern basis, which assumes that the Company will be able to realize its assets and 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 1030 West Georgia Street, Suite 1507, Vancouver, BC, V6E 2Y3, 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 six months ended June 30, 2024, the Company had an accumulated deficit of \$29,497,841 (December 31, 2023 - \$29,002,964). 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 matters constitute material uncertainties that cast significant doubt about the ability of the Company to continue as a going concern.

These condensed interim 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 Committed ("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, 2023. The policies applied in these condensed interim financial statements are based on IFRS issued as of November 1, 2024, 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, 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.

NOTES TO FINANCIAL STATEMENTS

FOR THE THREE AND SIX MONTHS ENDED JUNE 30, 2024 AND 2023 (UNAUDITED)

*(Expressed in Canadian Dollars)***3. Basis of Preparation (Continued)****a. 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.

4. Material 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 FVTOCI. 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.

**NOTES TO FINANCIAL STATEMENTS
FOR THE THREE AND SIX MONTHS ENDED JUNE 30, 2024 AND 2023 (UNAUDITED)**

(Expressed in Canadian Dollars)

4. Material Accounting Policies (continued)*(i) Financial Instruments (continued)*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.

(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) 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

Financial instruments classified as Level 2 investments are valued based on the most recent financings and through incorporating observable market data and using standard market convention practices. Short-term investments classified as Level 2 investments are valued based on amortized cost plus accrued interest which closely approximates fair value.

Financial instrument classified as Level 3 investments are valued based on information provided by management about actual events or transactions, and that reflect the assumption that market participants would use when pricing the asset or liability.

NOTES TO FINANCIAL STATEMENTS

FOR THE THREE AND SIX MONTHS ENDED JUNE 30, 2024 AND 2023 (UNAUDITED)

*(Expressed in Canadian Dollars)***4. Material Accounting Policies (continued)***(iii) Fair Value Measurement (continue)*

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.

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.

**NOTES TO FINANCIAL STATEMENTS
FOR THE THREE AND SIX MONTHS ENDED JUNE 30, 2024 AND 2023 (UNAUDITED)**

*(Expressed in Canadian Dollars)***4. Material Accounting Policies (continued)***(iii) Fair Value Measurement (continue)*

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 loss.

(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 is determined to be the component with the best evidence of fair value. The balance, if any, is allocated to the attached warrants.

(v) 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.

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.

*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.

**NOTES TO FINANCIAL STATEMENTS
FOR THE THREE AND SIX MONTHS ENDED JUNE 30, 2024 AND 2023 (UNAUDITED)***(Expressed in Canadian Dollars)***5. Critical Accounting Estimates and Judgements (continued)***Areas of judgement (continued)**(ii) Deferred Tax Assets*

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 probable 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(iii). Significant judgement is required for the Company's investment in non-public companies as well as the Company's loans receivable 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.

6. Loans Receivable**a. Current Loans Receivable**

On May 13, 2024, the Company entered into a promissory note with PGV Patriot Gold Vault Ltd. ("PGV") an unrelated party (the "Borrower") for a loan of \$360,000 in principal with interest bearing at 6% per annum. The loan is due 12 months from the date of the promissory note. As at June 30, 2024, the balance of the loan was \$362,900 which included \$2,900 in accrued interest. PGV, a privately held company, is a North American gold consolidator whose core focus is to continually drill its properties to add value. PGV has a signed letter of intent to acquire the Cracker Creek project located in Oregon and a definitive agreement to acquire the Rattlesnake Hills project in central Wyoming. The purpose of the Company's loan to PGV is to provide financing for the acquisition of exploration properties.

NOTES TO FINANCIAL STATEMENTS

FOR THE THREE AND SIX MONTHS ENDED JUNE 30, 2024 AND 2023 (UNAUDITED)

*(Expressed in Canadian Dollars)***6. Loans Receivable (continued)****a. Current Loans Receivable (continued)**

On August 16, 2023, the Company entered into an agreement with an unrelated party ("Issuer") for convertible debentures of \$400,000 in principal with interest bearing at 6% per annum. The Issuer is expected to become a public company through a reverse takeover transaction (the "Transaction"). The convertible debentures are to automatically convert to common shares of the Issuer at \$0.90 per share upon the closing the Transaction. The maturity date of the convertible debentures is the earlier of (i) October 30, 2023 or such other date as may be agreed to by the Company and the Issuer provided that no maturity shall occur on such date if the Transaction occurs at such time; (ii) the date of the Transaction closing; and (iii) the date of termination of the Transaction.

The Company is to receive \$200,000 from the Issuer if on the maturity date these debentures have not automatically converted into common shares of the Resulting Issuer, and the remaining balance of the principal amount plus all accrued and unpaid interest shall automatically converted into common shares of the Issuer at \$2.14 per share. As at June 30, 2024, these convertible debentures did not automatically convert into common shares of the Resulting Issuer, and the Company did not receive any cash nor common shares of the Issuer. The balance of the convertible debentures is \$423,441 with \$23,441 being the accrued interest.

During the six months ended June 30, 2024, the Company agreed to extend the maturity date of the convertible debentures to the date of the Issuer's Transaction. The extension removes the partial conversion requirements noted in the original convertible debt agreement. The Issuer is targeting its Transaction completion date in or around December 2024.

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 three and six months ended June 30, 2024, the Company received \$nil and \$nil (June 30, 2023 - \$nil and \$87) in participation right payments from the Borrower as interest income. In November 2023, the Company obtained financial reports of the Borrower and has determined that it is unlikely that the Borrower will be able to repay the loan at the maturity date of the loan; as a result, the Company wrote off the entire loan receivable as at December 31, 2023. The fair value of the loan receivable was \$nil as at June 30, 2024 and December 31, 2023.

**NOTES TO FINANCIAL STATEMENTS
FOR THE THREE AND SIX MONTHS ENDED JUNE 30, 2024 AND 2023 (UNAUDITED)**
(Expressed in Canadian Dollars)
7. 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 June 30, 2024 and December 31, 2023 are as follows:

	June 30, 2024	December 31, 2023
Opening Balance	\$ 713,379	\$ 1,250,169
Additions	171,233	1,780,193
Disposals	(625,723)	(1,521,832)
Realized loss on disposals	(110,746)	(389,685)
Change in unrealized fair value loss	147,192	(405,466)
Ending Balance	\$ 295,335	\$ 713,379

8. Trade and Other Payables

	June 30, 2023	December 31, 2023
Taxes payable	\$ 48,262	\$ 48,262
Trade payables	801,183	431,386
	\$ 849,445	\$ 479,648

Trade and other payables are comprised primarily of trade payables incurred in the normal course of business. Included in trade payables are amounts total \$475,991 (December 31, 2023 - \$203,206) due to related parties (see Note 15).

9. 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 June 2024, the Company closed its non-brokered private placement comprising of 2,000,000 common shares with a price of \$0.075 per share for gross proceeds of \$150,000.

In May 2024, the Company consolidated its common shares on the basis of ten pre-consolidation shares for every one post-consolidation share, which resulted in 2,181,109 shares outstanding post consolidation. All references to common shares, stock options and warrants in these consolidated financial statements have been adjusted to reflect this change.

The Company did not issue any shares during the year ended December 31, 2023.

As at December 31, 2023, the Company had 6,717,328 (2022 – 11,195,546) shares held in escrow, and it is expected that escrowed shares will be released by May 17, 2025.

**NOTES TO FINANCIAL STATEMENTS
FOR THE THREE AND SIX MONTHS ENDED JUNE 30, 2024 AND 2023 (UNAUDITED)**
(Expressed in Canadian Dollars)
10. Warrants

As at June 30, 2024 and December 31, 2023, 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	\$ 1.15	1,722,041
March 31, 2022	March 31, 2027	\$ 1.15	141,799
			1,863,840

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

	Number of Warrants
Outstanding at December 31, 2022	-
Issued	1,863,840
Exercised	-
Outstanding at June 30, 2024 and December 31, 2023	1,863,840

The weighted average exercise price and weighted average life are \$0.115 and 2.62 years, respectively.

11. 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, 2023 and 2022	\$ 8.75	54,371
Expired	\$ 8.75	(54,371)
Balance – June 30, 2024	-	-

12. 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 June 30, 2024 and the year ended December 31, 2023.

**NOTES TO FINANCIAL STATEMENTS
FOR THE THREE AND SIX MONTHS ENDED JUNE 30, 2024 AND 2023 (UNAUDITED)**

(Expressed in Canadian Dollars)

13. 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		June 30, 2024	December 31, 2023
Financial Assets				
Cash	FVTPL	\$	174,925	\$ 110,063
Equity investments	FVTPL	\$	295,335	\$ 713,379
Loans receivable	FVTPL	\$	786,341	\$ 411,018
Financial Liabilities				
Trade and other payables	Amortized cost	\$	849,445	\$ 479,648

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 June 30, 2024	Quoted Prices in Active Markets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Cash	\$ 174,925	\$ 174,925	\$ -	\$ -
Equity investments				
Public companies	\$ 210,491	\$ 170,834	\$ -	\$ 39,657
Private companies	\$ 84,844	\$ -	\$ -	\$ 84,844
Loans receivable	\$ 786,341	\$ -	\$ -	\$ 786,341
	\$ 1,256,601	\$ 345,759	\$ -	\$ 910,842

	Balance at December 31, 2023	Quoted Prices in Active Markets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Cash	\$ 110,063	\$ 110,063	\$ -	\$ -
Equity investments				
Public companies	\$ 638,535	\$ 594,820	\$ -	\$ 43,715
Private companies	\$ 74,844	\$ -	\$ -	\$ 74,844
Loans receivable	\$ 411,018	\$ -	\$ -	\$ 411,018
	\$ 1,234,460	\$ 704,883	\$ -	\$ 529,577

The following table presents the fair value of the Company's level 3 financial instruments:

	June 30, 2024	December 31, 2023
Opening balance	\$ 529,577	\$ 424,000
Additions	485,323	411,018
Disposals	(43,715)	(424,000)
Change in fair value	(60,343)	118,559
Ending balance	\$ 910,842	\$ 529,577

NOTES TO FINANCIAL STATEMENTS**FOR THE THREE AND SIX MONTHS ENDED JUNE 30, 2024 AND 2023 (UNAUDITED)***(Expressed in Canadian Dollars)*

13. Financial Instruments (continued)

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.

(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.

**NOTES TO FINANCIAL STATEMENTS
FOR THE THREE AND SIX MONTHS ENDED JUNE 30, 2024 AND 2023 (UNAUDITED)**

(Expressed in Canadian Dollars)

14. Earnings (Loss) Per Share

The following table sets forth the computation of basic and diluted loss per share for the three and six months ended June 30, 2024 and 2023:

	Three Months Ended		Six Months Ended	
	June 30, 2024	June 30, 2023	June 30, 2024	June 30, 2023
Numerator				
Net income (loss) for the period	\$ (520,415)	\$ (222,067)	\$ (494,877)	\$ 82,744
Denominator				
Basic – weighted average number of common shares outstanding	2,400,904	2,181,109	2,291,014	2,181,109
Effect of dilutive securities	-	-	-	-
Diluted – adjusted weighted average number of shares outstanding	2,400,904	2,181,109	2,291,014	2,181,109
Earnings (loss) per share – basic	\$ (0.22)	\$ (0.10)	\$ (0.22)	\$ 0.04
Earnings (loss) per share - diluted	\$ (0.22)	\$ (0.10)	\$ (0.22)	\$ 0.04

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 earnings (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 period, if dilutive.

Stock options were excluded from the calculation of diluted weighted average number of common shares outstanding during the period ended June 30, 2024 and 2023 as the stock options expired during the six months ended June 30, 2024 while the stock options were anti-dilutive during the three and six months ended June 30, 2023.

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 a director and former interim CEO of Lannister Mining is a director of the Company and he holds, directly and indirectly, a total of 6.44% of Lannister Mining.
- b. Purpose ESG – an investee of the Company whereby the CFO of Purpose ESG was the former CFO of the Company.

**NOTES TO FINANCIAL STATEMENTS
FOR THE THREE AND SIX MONTHS ENDED JUNE 30, 2024 AND 2023 (UNAUDITED)**

(Expressed in Canadian Dollars)

15. Related Party Transactions (continued)

During the three and six months ended June 30, 2024 and 2023, the Company paid and/or accrued salaries, commissions, consulting and professional fees to management personnel and directors:

	Three Months Ended		Six Months Ended	
	June 30, 2024	June 30, 2023	June 30, 2024	June 30, 2023
Management (current and former)	\$ 25,500	\$ 9,871	\$ 40,500	\$ 9,871
Directors (current and former)	92,500	-	124,240	-
	\$ 118,000	\$ 9,871	\$ 164,740	\$ 9,871

During the year ended December 31, 2023, the Company purchased 1,000,000 shares of Rua Gold Inc. (formerly First Uranium Resources Ltd.) at a price of \$0.10 per share, which was the trading price at the time of the purchase, from a director of the Company; the value of those shares was \$100,000 at December 31, 2023. During the three and six months ended June 30, 2024, the Company also incurred legal expenses of \$nil and \$1,740 (June 30, 2023 - \$nil and \$nil) to a law firm, a partner of which is a director of the Company.

Due to Related Parties

As at June 30, 2024 and December 31, 2023, the Company has the following amounts due to related parties:

	June 30, 2024	December 31, 2023
Accounts payable and accrued liabilities	\$ 340,491	\$ 203,206

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

16. Subsequent Events

- a) In August 2024, the Company closed the first tranche of its non-brokered private placement (the "Private Placement") in the amount of 35,028,006 units (the "Units") at a price of \$0.06 per Unit for gross proceeds of \$2,101,680. Each Unit consists of one common share of the Company and one common share purchase warrant. Each warrant entitles the holder to acquire one common share at an exercise price of \$0.72 per share for a period of 5 years from the date of issuance. The Company did not pay any finder's fees in connection with the closing of the first tranche.
- b) In August 2024, the Company announced that it has entered into a share exchange agreement with PGV Patriot Gold Vault Ltd. ("PGV") and the shareholders of PGV, pursuant to which the Company made an investment and purchased 100% of the issued and outstanding common shares in the capital of PGV. Pursuant to the terms of the definitive agreement, as consideration for the investment in 100% of the issued and outstanding common shares of PGV, the Company issued an aggregate of 4,583,333 common shares in the capital of the Company pro rata to the PGV shareholders. Closing of the transaction occurred on August 30, 2024.
- c) On September 3, 2024, the Company closed the second and final tranche of its non-brokered private placement (the "Second Tranche") in the amount of 34,971,993 units (the "Units") at a price of \$0.06 per Unit for gross proceeds of \$2,098,319 (the "Private Placement"). The total Private placement, cumulative of all tranches, is 69,999,999 common shares for aggregate gross proceeds of approximately \$4,200,000. Each Unit consists of one common share of the Company and one common share purchase warrant. Each warrant entitles the holder to acquire one common share at an exercise price of \$0.72 per share for a period of 5 years from the date of issuance. The Company did not pay any finder's fees in connection with the closing of the Second Tranche.

**NOTES TO FINANCIAL STATEMENTS
FOR THE THREE AND SIX MONTHS ENDED JUNE 30, 2024 AND 2023 (UNAUDITED)**

*(Expressed in Canadian Dollars)***16. Subsequent Events (continued)**

- d) On September 25, 2025, the Company's investee company, PGV, signed a definitive agreement dated Aug. 15, 2024, to acquire the Rattlesnake Hills gold project from GFG Resources Inc. Pursuant to the terms of the agreement, PGV will pay GFG aggregate consideration of approximately \$3.3-million to acquire the project in addition to certain milestone and resource bonus payments.

Pursuant to the terms of the agreement, PGV shall make the following payments to GFG to acquire the project:

- Cash payment of \$250,000 to GFG on signing of the LOI; the LOI deposit was paid on May 8, 2024;
- Cash payment of \$250,000 to GFG upon the execution and delivery of the agreement;

On closing of the transaction, PGV will:

- Make a cash payment of \$1.2-million to GFG;
- Issue to GFG the greater of three million common shares of PGV or \$600,000 in value of consideration shares based on the volume-weighted average trading price of the consideration shares for the 20 trading days immediately preceding the closing date; or, in the event that PGV is not listed, the value of the consideration shares shall be determined by the last financing price of common shares of PGV sold to arm's-length investors;
- On the date that is 12 months following the closing date of the transaction, PGV will pay GFG a cash payment of \$1-million. On closing of the transaction, PGV will replace the \$219,000 (U.S.) reclamation bond for the project. If a National Instrument 43-101, Standards for Disclosure for Mineral Projects, resource estimate in the project reveals a mineral resource of greater than three million ounces of gold in a measured and indicated or inferred category, PGV will pay to GFG a further \$1 per total mineral resource ounce in cash or consideration shares at the election of PGV.
- PGV shall reimburse GFG and cover all costs and expenses relating to the project incurred from the date of the signed LOI to the closing date, up to a maximum of \$228,000 (U.S.).

The closing of the transaction is expected to occur on or about 120 days from the effective date of the agreement. Closing of the transaction, as contemplated by the agreement, is subject to a number of customary conditions and approvals. There can be no assurance that the transaction will be completed as proposed or at all.

- e) On September 27, 2024, the Company entered into a binding letter of intent (the LOI) to acquire from Carlyle Commodities Corp. a gold project located in the British Columbia (the Newton project). Pursuant to the terms of the LOI, the company will pay Carlyle aggregate consideration of approximately \$2.8-million in cash and common shares of the company to acquire the Newton project in addition to certain milestone payments (the proposed transaction). The investment in the Newton project is made in accordance with the company's investment policy, pursuant to which, the company is committed to providing investors with long-term capital growth by investing in a portfolio of early stage or undervalued companies or natural resource projects.

In consideration for the acquisition of the Newton project, the company shall make the following payments to Carlyle to acquire the Newton project:

- On the effective date of the LOI, the company shall make a cash payment of \$100,000 to Carlyle;
- Upon the execution and delivery of a definitive agreement, the company shall make a cash payment of \$150,000 to Carlyle;
- Upon closing of a financing of securities of the company of not less than \$4-million (the Axcap financing), the company shall make a cash payment of \$250,000 (the financing deposit) to Carlyle.

**NOTES TO FINANCIAL STATEMENTS
FOR THE THREE AND SIX MONTHS ENDED JUNE 30, 2024 AND 2023 (UNAUDITED)**

*(Expressed in Canadian Dollars)***16. Subsequent Events (continued)**

On closing of the proposed transaction, the company will:

- Issue to Carlyle 500,000 common share purchase warrants entitling the holder thereof to acquire one additional common share at 20 cents per common share for a period of three years from the date of issuance;
- Issue to Carlyle 3.75 million common shares (the closing shares); and pay to Carlyle 50 per cent of the financing deposit with the balance to be paid within 90 days following closing of the proposed transaction in the event that the company does not complete the Axcap financing;

On the date that is 12 months following the closing date of the proposed transaction, the Company will issue to Carlyle \$1.25-million common shares at a deemed price equal to the volume-weighted average trading price of the common shares on the Canadian Securities Exchange (the CSE), or such other exchange the common shares are then listed, for the 20 trading days immediately prior to the issuance of the anniversary shares.

The consideration shares will be subject to any applicable statutory hold period along with contractual resale restrictions. Carlyle is entitled to receive additional cash payments of up to \$1-million and issuance of up to 22.5 million common shares upon achieving certain milestones.

- f) On October 18, 2024, the Company entered into a share purchase agreement dated Oct. 7, 2024, among the Company, Converse Acquisition Company Ltd. and the sole shareholder of Converse, pursuant to which the Company will purchase all the issued and outstanding common shares in the capital of Converse from the shareholder. Converse indirectly owns a 100-per-cent interest in an advanced-stage gold project located in Nevada (the "Converse Project"). The acquisition of Converse is made in accordance with the Company's investment policy, pursuant to which the Company is committed to providing investors with long-term capital growth by investing in a portfolio of early-stage or undervalued companies or natural resource projects.

Pursuant to the terms of the definitive agreement, as consideration for 100 per cent of the issued and outstanding common shares of Converse, the Company shall make the following payments:

- On the effective date of the letter of intent, the Company shall make a cash payment of \$500,000 to the shareholder, which the company paid on July 11, 2024;
- On closing of the proposed transaction, the Company shall make a cash payment of \$1-million to the shareholder;
- On closing of the offering (as defined below), issue to the shareholder an aggregate of 20 million common shares of the Company, on a post-split basis.

The company is at arm's length from Converse. Completion of the proposed transaction remains subject to a number of conditions, including the completion of the company's offering of securities for gross proceeds of not less than \$4-million and the receipt of any required regulatory approvals, including the Canadian Securities Exchange. The proposed transaction cannot be completed until these conditions have been satisfied. There can be no guarantees that the proposed transaction will be completed as contemplated or at all.

Converse acquired the Converse property pursuant to membership purchase agreement. Converse is required to make the following milestone payments:

- On the closing of the proposed transaction, Converse shall make a cash payment of \$1.5-million.
- On or before July 15, 2025, Converse shall make a cash payment of \$2-million.
- On or before July 15, 2026, Converse shall make a cash payment of \$2-million.
- On or before July 15, 2027, Converse shall make a cash payment of \$2-million.
- On or before July 15, 2028, Converse shall make a cash payment of \$3.5-million.

NOTES TO FINANCIAL STATEMENTS**FOR THE THREE AND SIX MONTHS ENDED JUNE 30, 2024 AND 2023 (UNAUDITED)**

*(Expressed in Canadian Dollars)***16. Subsequent Events (continued)**

Converse shall have a right to elect to pay each milestone payment, in whole or in part, in shares of the company. The payment shares shall be subject to voluntary hold periods as outlined in the definitive agreement: 2.5 per cent of the payment shares will be released and become freely tradable six months after the closing of the offering, with an additional 2.5 per cent released seven months and eight months following the closing of the offering, another 5 per cent of the payment shares will be released every month for the next 11 months, and another 7.5 per cent of the payment shares will be released 20 months following the closing of the offering, with an additional 7.5 per cent of the payment shares becoming freely tradable every month thereafter.

The Converse project is a large, advanced-stage gold deposit located in Nevada, known for its significant gold and silver mineralization. It has been subject to extensive exploration and drilling. The project is strategically located in the Battle Mountain trend, near the Marigold and Lone Tree mines, placing it in a prime area within one of the world's most prolific gold mining regions.

- g) On October 18, 2024, the Company The company announces that the board of directors have approved a share split of the company's issued and outstanding common shares on the basis of 2.4 post-split shares for one presplit share, subject to regulatory approval. The board of directors is proceeding with the share split on the basis that it will provide the company with increased flexibility to seek additional financing opportunities and strategic acquisitions.