IC CAPITALIGHT CORP.

Unaudited Condensed Interim Consolidated Financial Statements

For the six months and three months ended June 30, 2022, and 2021

Expressed in Canadian Dollars

In accordance with National Instrument 51-102, the Company discloses that its auditors have not reviewed these unaudited condensed interim consolidated financial statements.

IC Capitalight Corp.
Condensed Interim Consolidated Statements of Financial Position
Expressed in CAD Dollars

	June 30, 2022	December 31, 2021
Assets		
Current assets:		
Cash and cash equivalents	$ 114,572	$ 422,719
Accounts receivable (note 5)	16,847	10,630
Amounts receivable (note 17)	132,699	50,067
Debenture interest receivable (note 6)	-	57,317
Prepaid expenses	21,221	18,669
Total current assets	285,339	559,402
Investments (note 6)	3,527,585	2,867,896
Property, plant, and equipment (note 7)	1,578	1
Intangible asset (note 8)	58,031	-
Goodwill (note 8)	207,264	-
Total Assets	$ 4,079,797	$ 3,427,299
Liabilities		
Current liabilities:		
Accounts payable and accrued liabilities (note 17)	882,022	624,255
Short-term debt (note 9)	767,776	282,342
Deferred revenue (note 10)	201,071	162,378
Deferred debenture obligation (note 11)	330,000	330,000
Deferred flow-through obligation (note 12)	45,941	45,941
Total current liabilities	2,226,810	1,444,916
Long-term debt (note 9)	-	-
Total Liabilities	2,226,810	1,444,916
Shareholders' Equity		
Share capital (note 13)	8,467,799	8,467,799
Contributed surplus	997,786	977,041
Accumulated deficit	(7,612,598)	(7,462,457)
Total Shareholders' Equity	1,852,987	1,982,383
Total Liabilities and Shareholders' Equity	$ 4,079,797	$ 3,427,299

Nature of operations (note 1)
Basis of presentation (note 2)
Going concern (note 2)
Subsequent events (note 20)

The accompanying notes are integral to these condensed interim consolidated financial statements.

IC Capitalight Corp.
Condensed Interim Consolidated Statements of Operations and Comprehensive Income (Loss)
Expressed in CAD Dollars

	Six months ended June 30, 2022	Six months ended June 30, 2021	Three months ended June 30, 2022	Three months ended June 30, 2021
Research revenues	$ 333,744	$ 194,017	$ 190,314	$ 97,621
Consulting revenues	27,900	11,137	-	-
Total Revenues	$ 361,644	$ 205,154	$ 190,314	$ 97,621
Expenses				
Research business expenses (note 16)	325,921	284,160	157,679	171,758
Exploration and evaluation expenses (notes 8 and 16)	83	561	(336)	-
General and administrative expenses (note 16)	378,723	193,659	222,784	106,286
Depreciation (note 7)	4,889	-	4,816	-
Amortization of brand value (note 8)	-	6,300	(1,568)	3,150
Interest expense	289,353	123	124,136	83
Share-based compensation (notes 13, 15 and 17)	-	95,570	-	-
Accretion (notes 9 and 11)	172,039	14,668	98,222	7,434
Loss on remeasurement of credit facility (note 9)	55,499	-	-	-
Foreign exchange loss	1,039	36	407	453
Total expenses	1,227,546	595,077	606,140	289,163
Net loss before other income	(865,902)	(389,923)	(415,826)	(191,542)
Coupon income from investments (note 6)	56,071	96,927	-	48,597
Realized gain on sale of mineral property (note 7)	-	459,999	-	-
Unrealized gain on investments (note 6)	659,690	514,235	262,267	335,295
Net income (loss) and comprehensive income (loss)	$ (150,141)	$ 681,238	$ (153,559)	$ 192,350
Weighted-average common shares (basic)	90,419,146	87,323,942	90,419,146	89,649,915
Net income (loss) per common shares (basic)	$ (0.00)	$ 0.01	$ (0.00)	$ 0.00
Weighted-average common shares (diluted)	94,807,691	91,035,309	90,419,146	93,728,547
Net income (loss) per common shares (basic)	$ (0.00)	$ 0.01	$ (0.00)	$ 0.00

The accompanying notes are integral to these condensed interim consolidated financial statements.

IC Capitalight Corp.
Condensed Interim Consolidated Statements of Changes in Shareholders' Equity
Expressed in CAD Dollars

	Shares Outstanding	Share Capital	Contributed Surplus	Accumulated Deficit	Total Equity
Balance as of December 31, 2020	86,247,436	$ 8,216,854	$ 746,885	$ (7,628,006)	$ 1,335,733
Shares issued for settlement of debt (note 13)	3,402,479	221,161	-	-	221,161
Stock options granted under long-term incentive plan (note 15)	-	-	95,570	-	95,570
Restricted share units expensed over vesting period (note 15)	-	-	131,800	-	131,800
Net income for the period	-	-	-	681,238	681,238
Balance as of June 30, 2021	89,649,915	$ 8,438,015	$ 974,255	$ (6,946,768)	$ 2,465,502
Shares issued for settlement of debt (note 13)	-	(34,024)	-	-	(34,024)
Reclassification of flow through premium to equity (note 12)	-	21,500	-	-	21,500
Warrants issued for credit facility (note 14)	-	-	77,533	-	77,533
Stock options granted under long-term incentive plan (note 15)	-	-	(14,870)	-	(14,870)
Shares issued for conversion of restricted share units (note 15)	769,231	42,308	(42,308)	-	-
Restricted share units expensed over vesting period (note 15)	-	-	(17,569)	-	(17,569)
Net income for the period	-	-	-	(515,689)	(515,689)
Balance as of December 31, 2021	90,419,146	$ 8,467,799	$ 977,041	$ (7,462,457)	$ 1,982,383
Warrants issued for credit facility (note 14)	-	-	20,745	-	20,745
Net income for the period	-	-	-	(150,141)	(150,141)
Balance as of June 30, 2022	90,419,146	$ 8,467,799	$ 997,786	$ (7,612,598)	$ 1,852,987

The accompanying notes are integral to these condensed interim consolidated financial statements.

IC Capitalight Corp.
Condensed Interim Consolidated Statements of Cash Flows
Expressed in CAD Dollars

	Six months ended June 30, 2022	Six months ended June 30, 2021
Operating activities		
Net income (loss) for the year	$ (150,141)	$ 681,238
Add (deduct) items not affecting cash:		
Accretion	172,039	14,668
Loss on remeasurement of credit facility	55,499	-
Depreciation	4,889	-
Amortization	-	6,300
Share-based compensation for stock options	-	95,570
Share-based compensation for RSUs	-	131,800
Realized gain on sale of mineral property	-	(459,999)
Unrealized gain on investments	(659,690)	(514,235)
Subtotal	(577,404)	(44,658)
Change in non-cash working capital balances:		
(Increase) decrease in accounts and amounts receivable	(31,532)	33,399
(Increase) decrease in prepaid expenses	(2,552)	13,200
Increase (decrease) in accounts payable and accrued liabilities	257,768	(22,247)
Increase (decrease) in deferred revenue	38,693	12,418
Net cash from operating activities	$ (315,027)	$ (7,888)
Investing activities		
Purchase of equipment	(1,760)	-
Acquisition of P&C	(270,000)	-
Disposition of mineral property	-	100,000
Net cash used investing activities	$ (271,760)	$ 100,000
Financing activities		
Net proceeds from short-term debt	278,640	-
Net cash provided by financing activities	$ 278,640	$ -
Net increase (decrease) in cash and cash equivalents	(308,147)	92,112
Cash and cash equivalents, beginning of period	422,719	76,176
Cash and cash equivalents, end of period	$ 114,572	$ 168,288

The accompanying notes are integral to these condensed interim consolidated financial statements.

1. Nature of Operations

IC Capitalight Corp. (the "Company") is incorporated under the British Columbia Business Corporations Act and has a fiscal year-end of December 31. The Company's registered office is at 2200 HSBC Building, 885 West Georgia Street, Vancouver, BC, V6C 3E8.

Capitalight operates as a merchant bank that pursues value-based investment opportunities in accordance with its internal investment policies through a portfolio of companies, securities, and mineral properties. The securities investments consist primarily of Stone Debentures, which are generating positive cash flow on a quarterly basis. The Company's business operations include Capitalight Research Inc. ("Capitalight Research"), a wholly owned subsidiary that publishes proprietary subscription research reports focused on the gold, silver and critical metals sectors, Canadian preferred shares, bonds, and economics. Capitalight Research generates recurring revenues and is expected to generate positive operating cash flows as it achieves profitability. The mineral exploration business consists of the Blue Lake Cu-Ni-Pt-Pd property near Schefferville, Quebec.

The Company does not pay dividends and is unlikely to do so in the immediate or foreseeable future.

These condensed interim consolidated financial statements were approved by the Board of Directors on August 29, 2022.

2. Basis of Presentation

Statement of compliance with IFRS

These condensed interim consolidated financial statements have been prepared in accordance and comply with International Accounting Standard 34 Interim Financial Reporting ("IAS 34") using accounting principles consistent with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and interpretations issued by the IFRS Interpretations Committee ("IFRIC"). The accounting policies adopted are consistent with those of the previous financial year and the corresponding interim reporting period. Furthermore, the information on accounting standards effective in future periods and not yet adopted remains unchanged from that disclosed in the annual financial statements.

These condensed interim consolidated financial statements should be read in conjunction with the Company's audited consolidated financial statements for the years ended December 31, 2021 and 2020, including the accounting policies and notes thereto, which were prepared in accordance with IFRS.

These condensed interim consolidated financial statements follow the same accounting policies and methods of their application as the audited consolidated financial statements for the years ended December 31, 2021 and 2020.

Basis of measurement

These condensed interim consolidated financial statements have been prepared under the historical cost basis except for certain financial instruments that are measured at fair values, as explained in the accounting policies below.

Going Concern Assumption

The accompanying consolidated financial statements have been prepared on the basis of a going concern, which contemplates the realization of assets and liquidation of liabilities in the normal course of business.

As of June 30, 2022, the Company had an accumulated deficit of $7,612,598 (December 31, 2021: deficit of $7,462,457). As such, conditions exist that may cast significant doubt regarding the Company's ability to continue as a going concern.

In assessing whether the going concern assumption is appropriate, management considers all available information about the future, which is at least, but not limited to, twelve months from the end of the reporting period. The Company's ability to continue operations is dependent on management's ability to manage its working capital and secure additional financing. Although management has been successful at securing additional financing in the past, there can be no assurance it will be able to do so in the future. These conditions may cast significant doubt about the Company's ability to continue as a going concern. These condensed interim consolidated financial statements do not give effect to adjustments that would be necessary should the Company be unable to continue as a going concern and therefore need to realize its assets and liquidate its liabilities and commitments in other than the normal course of business and at amounts different from those in the accompanying condensed interim consolidated financial statements. These adjustments could be material.

2. Basis of Presentation (continued)

Basis of consolidation

The Company owns 100% of Capitalight Research Inc., which was acquired on October 2, 2019. Capitalight Research was incorporated on January 31, 2017, pursuant to the laws of the Province of Ontario.

These condensed interim consolidated financial statements include the financial position, results of operation and cash flows of the Company and Capitalight Research, its wholly owned subsidiary. Intercompany balances, transactions, income, expenses, profits and losses, including gains and losses relating to the subsidiary have been eliminated on consolidation.

3. Significant Judgments, Estimates and Assumptions

To prepare consolidated financial statements in conformity with IFRS, the Company must make estimates, judgements and assumptions concerning the future that affect the carrying values of assets and liabilities as of the date of the consolidated financial statements and the reported values of revenues and expenses during the reporting period. By their nature, these are uncertain and actual outcomes could differ from the estimates, judgments and assumptions.

The impacts of such estimates are pervasive throughout the consolidated financial statements and may require accounting adjustments based on future occurrences. Revisions to accounting estimates are recognized in the period in which the estimate is revised and also in future periods when the revision affects both current and future periods. Significant accounting judgments, estimates and assumptions are reviewed on an ongoing basis.

The areas involving significant judgments, estimates and assumptions are as follows:

Going concern: The preparation of the consolidated financial statements requires management to make judgments and estimates regarding the ability to continue as a going concern.

Impairment: The preparation of the consolidated financial statements requires management to make judgments and estimates regarding cash flows and discount rates regarding the impairment of the fair value of financial assets carried at amortized costs and goodwill and intangible assets.

Fair value of private investments (level 3): The preparation of the consolidated financial statements requires management to make judgments regarding the fair value of the private company investments held by the Company. Where the fair values of investments cannot be derived from active markets, they are determined using a variety of valuation techniques. The inputs to these models are derived from observable market data where possible, but where observable market data are not available, management's judgment is required to establish fair values.

Uncertainty due to the Covid-19 Pandemic

The impact of COVID-19 on the Company has been limited since did it does not have any active exploration programs and construction activities. Certain of our directors, officers, employees and consultants have been indirectly impacted by intermittent lockdowns that have been imposed in Canada. The Company has tried to incorporate the impact COVID-19 outbreaks and intermittent lockdowns into its business operations. It is not possible for the Company to predict the duration or magnitude of adverse impacts from further outbreaks and predict the effects on the Company's business or results of operations.

The duration and full financial effect of the COVID-19 pandemic is unknown at this time, as are the measures taken by governments, the Company or others related to the COVID-19 pandemic. Any estimate of the length and severity of these developments is therefore subject to significant uncertainty, and accordingly estimates of the extent to which the COVID-19 pandemic may materially and adversely affect the Company's operations, financial results and condition in future periods are also subject to significant uncertainty.

Inputs and assumptions relate to, among other things, interest rates, foreign exchange rates, cost of capital, commodity prices, and the amount and timing of future cash flows, while accounting judgments take into consideration the business and economic uncertainties related to the COVID-19 pandemic and the future response of governments, the Company and others to those uncertainties. In the current environment, the inputs and assumptions and judgements are subject to greater variability than normal, which could in the future significantly affect judgments, estimates and assumptions made by management as they relate to potential impact of the COVID-19 pandemic on various financial accounts and note disclosures and could lead to a material adjustment to the carrying value of the assets or liabilities affected. The impact of current uncertainty on judgments, estimates and assumptions includes the Company's valuation of the long-term assets (including the assessment for impairment and impairment reversal), estimation of reclamation provisions, estimation of income and taxes. Actual results may differ materially from these estimates.

4. Business Acquisition

On February 16, 2022, the Company's wholly owned subsidiary, Capitalight Research Inc., completed the acquisition of all the business assets of Phases & Cycles Inc. ("P&C"), a private corporation that publishes subscription-based market research, in return for a cash consideration of $270,000 (the "Transaction"). The primary reason for the acquisition was an expansion of Capitalight Research's subscription-based research business.

The acquisition of P&C meets the definition of a business; therefore, the transaction is treated using the acquisition method under IFRS 3 *Business Combinations*. The Company was deemed to be the acquirer and P&C was deemed to be the acquiree. The cost of acquisition has been allocated to the assets acquired and liabilities assumed as measured at fair value on the date of acquisition. The excess of costs of the acquisition over the net assets acquired and liabilities assumed has been recognized as intangible assets representing the value of the P&C brand and goodwill.

	Total **$**
Cost of Acquisition	$ 270,000
Amounts receivable	48,144
Prepaid expenses	512
Accounts payable and accrued liabilities	(1,025)
Deferred revenues	(47,631)
Subtotal	-
Recognition of brand value	62,736
Recognition of goodwill	207,264
Impairment	-
Net assets acquired and liabilities assumed	$ 270,000

The cost of acquisition allocation and fair values are provisional and may change as more information becomes available.

On February 16, 2022, the Company recognized goodwill upon the business acquisition of Phases and Cycles and is primarily related to personnel and future growth. None of the goodwill arising from the acquisition is deductible for tax purposes. Goodwill is tested for impairment immediately upon acquisition and at the end of each reporting date using the value-in-use valuation model. The key assumptions are those related to discount rates and revenue growth rates. The model used revenue growth rates of 5% to 20% and a long-term growth rate of 2.0%. The after-tax weighted average cost of capital was determined to be 17% (pre-tax of 23%) and is based on a risk-free rate, an equity premium adjusted for betas of comparable publicly traded companies, an unsystematic risk premium, an after-tax cost of debt based on the capital structure of publicly traded companies.

On February 16, 2022, the Company recognized the value of the Phases and Cycles brand, which was determined using a 6% relief from royalty valuation model that will be amortized over a period of five years. The key assumptions used in the value in use are those related to discount rates and revenue growth rates. The values of these assumptions reflect prior experience. The after-tax weighted average cost of capital was determined to be 17% (pre-tax of 23%) and is based on a risk-free rate, an equity premium adjusted for betas of comparable publicly traded companies, an unsystematic risk premium, an after-tax cost of debt based on the capital structure of publicly traded companies.

Since February 16, 2022, the P&C acquisition contributed revenues of $60,527 to consolidated revenues from the date of acquisition to June 30, 2022. If the acquisition had occurred on January 1, 2022, management estimates the P&C contribution would have been approximately $92,673 to consolidated revenues.

Acquisition related costs totaling $6,172 were expensed as legal and professional fees in the consolidated statement of profit and loss.

5. Accounts Receivable

	June 30, 2022	December 31, 2021
Current	$ 1,907	$ 2,444
1 - 30 days past due	5,449	8,806
31 – 60 days past due	299	-
61 – 90 days past due	86	-
> 90 days past due	9,726	-
Subtotal	17,467	11,250
Lifetime expected credit losses	(620)	(620)
Ending balance	$ 16,847	$ 10,630

All categories of receivables are required to have a provision, even when they are not past due. The following is the provision matrix used to determine the lifetime expected credit losses:

	Current	1-30 days	31-60 days	61-90 days	>90 days
Default rate	1%	3%	9%	15%	20%

The following is the movement in lifetime expected credit losses:

	Movement in Lifetime Credit Losses
Balance as of December 31, 2020	$ 620
Loss allowance remeasurement	-
Balance as of December 31, 2021	$ 620
Loss allowance remeasurement	-
Balance as of June 30, 2022	$ 620

6. Investments

As of June 30, 2022, the investment portfolio consisted of:

- 3,032 debentures issued by Stone Investment Group Limited ("Stone"). Each debenture has a $1,000 face value and 7.5% coupon paid quarterly in cash resulting in a total face value of $3,032,000. On April 7, 2022, Stone announced it entered into an agreement with Starlight Investment Capital LP ("Starlight") whereby Starlight will acquire Stone and will pay, pursuant to the terms and conditions of the trust indenture governing the debentures, the principal amount of $1,000 per debenture, plus accrued and unpaid interest thereon, including any additional interest, to complete the repayment of the debentures. The fair value on June 30, 2022 was estimated at $3,335,200 using a Level 2 fair value hierarchy of $1,100 per debenture based on the offer by Starlight Investments. The debentures were sold on July 19, 2022.
- 112,810 common shares of Stone. The fair value was estimated at $nil.
- 409,333 common shares of Prospector Metals Corp., which reflects a 1:3 share consolidation that was completed on April 6, 2022. The fair market value was estimated at $192,385 based on the closing market price on June 30, 2022.

During the six months ended June 30, 2022, the Company had an unrealized gain on investments of $659,689 (2021: unrealized gain of $514,235) from the revaluation of debentures and common shares. During the six months ended June 30, 2022, the Company recognized debenture interest income of $56,071 (2021: $96,927) and as of June 30, 2022, had a debenture interest receivable balance of $nil (December 31, 2021: $57,317).

The Company's investments portfolio consisted of the following as of June 30, 2022:

Investments	**Opening Balance**	**Purchases (Non-Cash)**	**Purchases (Cash)**	**Net Proceeds**	**Realized Gains (Losses)**	**Unrealized Gains (Losses)**	**Ending Balance**
Debentures	$ 2,425,602	$ -	$ -	$ -	$ -	$ 909,598	$ 3,335,200
Common shares	442,294	-	-	-	-	(249,909)	192,385
Total	$ 2,867,896	$ -	$ -	$ -	$ -	$ 659,689	$ 3,527,585

Fair value hierarchy

Investments	**June 30, 2022**	**Level 1**	**Level 2**	**Level 3**
Debentures	$ 3,335,200	$ -	$ 3,335,200	$ -
Common shares	192,385	192,385	-	-
Total	$ 3,527,585	$ 192,385	$ 3,335,200	$ -

7. Property, Plant and Equipment

	Property	**Equipment**	**Total**
Balance, December 31, 2020	$ 2	$ -	$ 2
Dispositions	(1)	-	(1)
Balance, December 31, 2021	$ 1	$ -	$ 1
Additions	-	1,760	1,760
Depreciation	-	(183)	(183)
Balance as of June 30, 2022	$ 1	$ 1,577	$ 1,578

Blue Lake Property (Cu-Ni-Pt-Pd)

On June 30, 2008, the Company entered into an option agreement to earn a 100% interest in the Blue Lake (formerly the Retty Lake Property) copper-nickel-PGM exploration property located northeast of Schefferville, Quebec. On February 12, 2013, the Company completed the earn-in by issuing 1,800,000 common shares and by incurring exploration expenditures totaling $1,855,000. These original claims are subject to a 3% net smelter return royalty ("NSR"), which is subject to a buy-back right to repurchase the NSR for $3,000,000 and a 30-day right-of-first-refusal to acquire all or part of the NSR on the same terms and conditions as set out in an intention-to-sell notice provided from the holder (the "NSR ROFR"). During the year ended December 31, 2017, the Company elected to write-down the carrying value of the Blue Lake claims to $1. On July 21, 2020, the Company announced it staked 194 high priority claims in the Blue Lake South area and renamed all of the claims as the Blue Lake Property. As of June 30, 2022, the Blue Lake Property consisted of 263 claims covering 12,724 hectares.

8. Goodwill and Intangible Assets

On February 16, 2022, the Company recognized goodwill upon the business acquisition of Phases and Cycles and is primarily related to personnel and future growth. None of the goodwill arising from the acquisition is deductible for tax purposes. Goodwill is tested for impairment immediately upon acquisition and at the end of each reporting date using the value-in-use valuation model. The key assumptions are those related to discount rates and revenue growth rates. The model used revenue growth rates of 5% to 20% and a long-term growth rate of 2.0%. The after-tax weighted average cost of capital was determined to be 17% (pre-tax of 23%) and is based on a risk-free rate, an equity premium adjusted for betas of comparable publicly traded companies, an unsystematic risk premium, an after-tax cost of debt based on the capital structure of publicly traded companies.

	Movement in Goodwill
Balance as of December 31, 2020	$ 189,000
Impairment	(189,000)
Balance as of December 31, 2021	$ -
Recognition on acquisition of P&C	207,264
Impairment	-
Balance as of June 30, 2022	$ 207,264

On February 16, 20220, the Company recognized the value of the Phases and Cycles brand, which was determined using a 6% relief from royalty valuation model that will be amortized over a period of five years. The key assumptions used in the value in use are those related to discount rates and revenue growth rates. The values of these assumptions reflect prior experience. The after-tax weighted average cost of capital was determined to be 17% (pre-tax of 23%) and is based on a risk-free rate, an equity premium adjusted for betas of comparable publicly traded companies, an unsystematic risk premium, an after-tax cost of debt based on the capital structure of publicly traded companies.

During the six months ended June 30, 2022, the Company recognized brand value amortization of ($4,705).

	Movement in Brand Value
Balance as of December 31, 2020	$ 50,400
Amortization	(12,600)
Impairment	(37,800)
Balance as of December 31, 2021	$ -
Recognition on acquisition of P&C	62,736
Amortization	(4,705)
Balance as of June 30, 2022	$ 58,031

9. Short-Term and Long-Term Debt

Credit facility

On December 23, 2021, the Company secured a non-revolving $5,250,000 standby credit facility whereby the Company can make drawdowns until December 23, 2022 (the "Advance Period"). The Company may terminate the Advance Period at any time subject to a fee of 1% on undrawn amounts. The undrawn amounts until termination of the Advance Period and drawdowns will incur an interest rate of 12.75% per annum. Principal repayments of 2.5% of drawdown amounts are due on June 30, 2022, September 30, 2022 and December 31, 2022. Under certain circumstances, the Company can prepay drawdown amounts subject to a 2% prepayment fee. The credit facility is secured by the assets of the company and by certain related parties. In relation to the credit facility, the Company incurred a workfee of $105,000 and lender legal fees of $61,809. The initial advance of $482,065 on December 23, 2021, resulted in the issuance of 1,000,000 common share purchase warrants exercisable at a price of $0.08 per share for a period of 5 years, which were valued at $77,533. Each subsequent advance under the credit facility will require the Company to issue such number of warrants that is equal to 1.1x the dollar value of the drawdown, up to an aggregate of 5,500,000 warrants. Each warrant issuance will be priced at the minimum price permissible under the rules of the Canadian Securities Exchange and will be exercisable for a period of 5 years. The workfee, legal fees and warrant value were deducted from the initial drawdown, resulting in an initial fair value of $237,723.

Based on the original assumption that drawdowns will be repaid on or about December 23, 2022, the credit facility debt was measured at amortized cost and the initial fair value was determined to be the present value of the repayments at an effective discount rate of 64.5%.

On February 18, 2022, the Company completed a drawdown of $278,640 that resulted in the issuance of 306,504 common share purchase warrants exercisable at a price of $0.07 per share for a period of 5 years, which were valued at $20,745.

On May 1, 2022, the Company provided an Advance Period termination notice to the lender.

As of June 30, 2022, the drawdowns totalled $760,706.

As of June 30, 2022, the fair value of the credit facility obligation was remeasured at $727,775 (December 31, 2021: $242,342). During the six months ended June 30, 2022, the Company incurred interest of $289,011 (2021: $nil), recognized accretion of $172,039 (2021: $nil), and recognized a loss on remeasurement of $55,499 through profit and loss.

CEBA

The Company's subsidiary Capitalight Research Inc. has a Canada Emergency Business Account (CEBA), which has loan forgiveness provisions whereby 25% of the loan principal will be forgiven if 75% of the loan principal is repaid prior to December 31, 2022. The loan principal is not subject to any interest until after December 31, 2022. Under the loan, the Company has previously withdrawn $40,000 and intends to repay CAD $30,000 of loan principal. As of June 30, 2022, the had a carrying balance of $40,000 (December 31, 2021: $40,000).

10. Deferred Revenue

Deferred revenues arise from the sale of annual subscriptions to the Company's research products. The balance of deferred revenue as of June 30, 2022, is expected to be recognized into revenues over the next twelve months.

	Movement in Deferred Revenues
Balance as of December 31, 2020	$ 134,692
Deferred revenue recognized into revenue where performance obligations have been completed	(134,692)
Additions to deferred revenue where performance obligations have not been completed	162,378
Balance as of December 31, 2021	$ 162,378
Deferred revenue recognized into revenue where performance obligations have been completed	(150,902)
Additions to deferred revenue where performance obligations have not been completed	189,595
Balance as of June 30, 2022	$ 201,071

11. Deferred Debenture Obligation

On March 30, 2020, pursuant to a purchase agreement for Stone debentures, the Company recognized a deferred payment of $330,000 due to the vendor upon maturity of the debentures, which was expected to occur on December 28, 2021. The deferred obligation was originally measured at amortized cost and the initial fair value was calculated as the present value of the obligation based on a discount rate of 10%. On December 28, 2021, Stone defaulted on the maturity. Since the purchase agreement did not foresee a maturity default event, the obligation will be treated as an on-demand obligation until Stone sets a maturity date.

	Movement in Deferred Obligation
Balance as of December 31, 20120	$ 300,000
Accretion of deferred obligation	30,000
Balance as of December 31, 2021	$ 330,000
Accretion of deferred obligation	-
Balance as of June 30, 2022	$ 330,000

12. Deferred Flow-Through Obligation

On October 2, 2019, the Company issued flow-through shares to eligible Canadian taxpayer subscribers that included a contractual commitment for the Company to incur $86,000 in eligible Canadian Exploration Expenditures (“CEEs”) by December 31, 2020 as per the provisions of the Income Tax Act of Canada. The CEEs were renounced as a tax credit to the flow-through share subscribers on December 31, 2019. To help alleviate issues relating to COVID-19, the Department of Finance Canada announced a proposal in July 2020 that it would extend the timelines for incurring eligible expenses applicable to Issuers of flow-through shares renounced using the look-back rule in 2019 and 2020 by twelve months. The Company did not incur any flow-through eligible expenditures in 2019, 2020 or 2021.

On December 31, 2021, the Company recorded a provision of $45,941 for the indemnification obligation to subscribers of flow-through shares for the additional taxes payable related to the CEE renunciation shortfall.

Series	**2019 F/T Series**
Financing date	October 2, 2019
Renunciation date under look-back rule	December 31, 2019
Original CEE expenditure commitment	$ 86,000
Estimated tax benefit at top marginal rate	53%
Flow-through provision as of June 30, 2022	$ 45,941

13. Share Capital

The Company’s common shares have no par value and an authorized share capital of an unlimited number of common shares. As of June 30, 2022, the Company had 90,419,146 common shares issued and outstanding (December 31, 2021: 90,419,146).

14. Warrants

The Black-Scholes option valuation model is used by the Company to determine the fair value of common share purchase warrants based on the market price, the exercise price, compound risk free interest rate, annualized volatility and number of periods until expiration. Each warrant entitles the holder to purchase one common share of the Company at the respective exercise price prior to or on the respective expiration date.

As of June 30, 2022, the Company had 1,639,837 common share purchase warrants issued and outstanding (December 31, 2021: 1,333,333) with a weighted average expiration of 3.67 years (December 31, 2021: 3.95) which are exercisable into 1,639,837 common shares (December 31, 2021: 1,333,333) at a weighted average exercise price of $0.077 (December 31, 2021: $0.079).

Issued Date	**Expiration Date**	**Exercise Price**	**As at December 31, 2021**	**Issued**	**Cancelled**	**Exercised**	**As at June 30, 2022**
November 3, 2020	November 3, 2022	$ 0.075	333,333	-	-	-	333,333
December 23, 2021	December 23, 2026	$ 0.080	1,000,000	-	-	-	1,000,000
February 18, 2022	February 18, 2027	$ 0.070	-	306,504	-	-	306,504
Totals			1,333,333	306,504	-	-	1,639,837

14. Warrants (continued)

Warrants issued during the six months ended June 30, 2022

On February 18, 2022, in relation to the second drawdown from the credit facility, the Company granted 306,504 common share purchase warrants exercisable at a price of $0.07 per share for a period of 5 years. The warrants vested immediately and were valued at $20,745 using the Black-Scholes valuation model based on a risk-free rate of 1.75%, expected term of 5 years and volatility of 189%.

15. Long-term Incentive Plan

The Company's long term incentive plan (the "LTIP plan") is restricted to a maximum of 10% of the issued and outstanding common shares. Under the LTIP plan, the Company may grant securities-based incentives including stock options and restricted share units ("RSUs") to directors, officers, employees, and consultants. The Board of Directors administers the plan and determines the vesting and terms of each grant.

Stock Options

The Company determined the fair value of stock options using the Black-Scholes option valuation model, which has several inputs including the market price, the exercise price, compound risk free interest rate, annualized volatility and the number of periods until expiration. The fair value is expensed over the vesting period. Each stock option entitles the holder to purchase common shares of the Company at the respective exercise price prior to, or on, its expiration date.

As of June 30, 2022, the Company had 4,200,000 stock options issued and outstanding (December 31, 2021: 4,200,000) with a weighted average expiration of 2.95 years (December 31, 2021: 3.47 years) which are exercisable into 4,200,000 common shares (December 31, 2021: 4,200,000) at a weighted average exercise price of $0.055 (December 31, 2021: $0.055). All stock options that are outstanding vested on their grant date.

Award and Vesting Date	Expiration Date	Exercise Price	As at December 31, 2021	Awarded	Cancelled	Exercised	As at June 30, 2022
January 24, 2020	January 24, 2025	$ 0.050	2,700,000	-	-	-	2,700,000
February 12, 2021	February 12, 2026	$ 0.065	1,500,000	-	-	-	1,500,000
Totals			4,200,000	-	-	-	4,200,000

Restricted share units (RSUs)

The fair value of RSUs is based on the grant-day intrinsic value of the shares that are expected to vest by the vesting date. Each RSU entitles the holder to receive one common share of the company prior to, or on, its expiration date subject to achieving the performance criterion ("milestone") prior to, or on, its vesting date. The fair value is expensed over the vesting period and is subject to remeasurement at the end of each reporting period based on the probability of achieving the milestone and adjustments for potential forfeitures.

As of June 30, 2022, the Company had 1,769,232 RSUs issued and outstanding (December 31, 2021: 1,769,232) with a weighted average expiration of 1.77 years (December 31, 2021: 2.26) which entitle the holders to receive 1,769,232 common shares (December 31, 2021: 1,769,232) for no additional consideration subject to satisfying the vesting conditions.

Award Date	Vesting Condition	Vesting Date	As at December 31, 2021	Awarded	Cancelled	Converted	As at June 30, 2022
February 12, 2021	Employment (vested)	February 28, 2021	1,207,692	-	-	-	1,207,692
February 12, 2021	Gross sales (vested)	December 31, 2021	100,000	-	-	-	100,000
June 10, 2021	Gross sales targets	December 31, 2023	461,540	-	-	-	461,540
Totals			1,769,232	-	-	-	1,769,232

16. Segmented Reporting

The Company has three operating segments, consisting of the research business, mineral exploration properties and securities investments. All of the Company assets are held in Canada. The Company's President and Chief Executive Officer and Chief Financial Officer are the operating decision-makers and direct the allocation of resources to its segments.

The following is the segmented information by operating segments:

	Six months ended June 30, 2022	Six months ended June 30, 2021	Three months ended June 30, 2022	Three months ended June 30, 2021
Research business segment				
Research revenues	$ 333,744	$ 194,017	$ 190,314	$ 97,621
Research expenses				
Payroll and benefits	186,017	138,399	103,584	73,114
Consultants and services	112,547	67,570	67,115	42,453
Legal fees	11,126	-	4,954	-
Travel expenses	7,802	305	5,582	198
Office and administrative	46,093	13,292	29,071	6,881
Bad debts	5,211	11,294	1,408	687
Sales and marketing	14,344	-	3,184	-
Depreciation	4,889	-	4,816	-
Share-based compensation	-	53,300	-	48,425
Total research expenses	388,029	284,160	219,714	171,758
Research business segment income (loss)	(54,285)	(90,143)	(29,400)	(74,137)
Exploration properties segment				
Realized gain on sale of mineral property	-	459,999	-	-
Exploration and evaluation expenses				
Mineral claim renewal fees	83	561	(336)	-
Total exploration and evaluation expenses	83	561	(336)	-
Exploration properties segment income (loss)	(83)	459,438	336	-
Securities investment segment				
Consulting revenues	27,900	11,137	-	-
Coupon income from investments	56,071	96,927	-	48,597
Unrealized gain on investments	659,690	514,235	262,267	335,295
Total securities investment income	743,661	622,299	262,267	383,892
Total segments income (loss)	689,293	991,594	233,203	309,756
General and administrative expenses				
Management Consulting fees	130,755	116,850	68,505	57,750
Professional and legal fees	176,089	46,085	87,336	31,235
Public filing fees	-	14,105	-	7,807
Insurance expenses	369	4,200	(278)	2,100
Rent	-	10,200	-	5,100
Office and administrative	14,291	2,219	10,002	2,294
Total general and administrative expenses	321,504	193,659	165,565	106,286
Amortization of brand value	-	6,300	(1,568)	3,150
Interest expense	289,353	123	124,136	83
Share-based compensation	-	95,570	-	-
Accretion	172,039	14,668	98,222	7,434
Loss on remeasurement of credit facility	55,499	-	-	-
Foreign exchange (gain) loss	1,039	36	407	453
Net income (loss) and comprehensive income (loss)	$ (150,141)	$ 681,238	$ (153,559)	$ 192,350

17. Related Party Transactions and Balances

Parties are related if one party has the direct or indirect ability to control or exercise significant influence over the other party in making operating and financial decisions. Parties are also related if they are subject to common control or common significant influence. Other related parties include companies controlled by key management personnel. Key management personnel are composed of the Board of Directors, Chief Executive Officer and Chief Financial Officer of the Company.

A transaction is considered a related party transaction when there is a transfer of economic resources or financial obligations between related parties. Related party transactions that are in the normal course of business and have commercial substance are measured at the fair value. Balances and transactions between the Company and its wholly owned subsidiary, which is a related party of the Company, have been eliminated and are not disclosed in this note.

The following key management related party transactions occurred during the following reporting periods:

	Six months ended June 30, 2022	Six months ended June 30, 2021	Three months ended June 30, 2022	Three months ended June 30, 2021
Management consulting fees	$ 130,755	$ 116,850	$ 68,505	$ 57,750
Professional and legal fees	11,700	10,800	6,300	5,400
Share-based compensation	-	57,342	-	-
Total	$ 142,455	$ 184,992	$ 74,805	$ 121,842

The following key management related party balances existed as of June 30, 2022, and December 31, 2021:

	As of June 30, 2022	As of December 31, 2021
Accounts payable and accrued liabilities due to companies controlled by key management	$ 275,676	$ 157,308
Amounts receivable from companies controlled by key management	$ 14,500	$ 14,500

18. Capital Management

There were no changes in the Company's approach to capital management during the six months ended June 30, 2022.

The Company’s investment policy is to invest excess cash in very low risk financial instruments such as term deposits or by holding funds in high yield savings accounts with major Canadian banks and to provide shareholders with long-term capital growth by investing in a portfolio of undervalued companies, assets, or equity investment vehicles in the subscription research, mineral exploration and asset management sectors of the North American market, but may also include investments in other sectors.

The Company is not subject to any externally imposed capital requirements.

The Company is generating revenues from the research business but has not generated any revenues from mineral property interests, which are still in the exploration & evaluation stage. To date, the Company has funded its operations by raising equity. To minimize liquidity risk, the Company has implemented cost control measures including an operating budget and the minimizing of discretionary expenditures related to the exploration properties.

The Company manages its capital structure (consisting of shareholders’ equity) on an ongoing basis and in response to changes in economic conditions and risk characteristics of its underlying assets. Changes to the capital structure could involve the issuance of new equity, obtaining working capital loans, issuing debt, the acquisition or disposition of assets, or adjustments to the amounts held in cash, cash equivalents and investments.

Capital resource analysis

As of June 30, 2022, the Company had a working capital deficiency of $1,941,471 (December 31, 2021: deficiency of $885,514). Although the Company has a negative working capital position, the Company believes it can satisfy short-term obligations as they come due by generating cash from operations and the investment portfolio.

Should unexpected financial circumstances arise, the Company may choose to raise additional capital by issuing new equity, obtaining working capital loans, or construction financing. While the Company has been successful in obtaining funding in the past, there is no assurance that future financings will be available on terms acceptable to the Company. Based on management’s assessment of its past ability to obtain required funding, the Company believes it will be able to satisfy its current and long-term obligations as they come due.

19. Financial Instruments and Risk Management

Financial instruments are exposed to certain financial risks, which may include liquidity risk, credit risk, interest rate risk, commodity price risk, and currency risk:

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its obligations associated with financial liabilities. Liquidity risk arises from the Company's financial obligations and in the management of its assets, liabilities and capital structure.

In managing liquidity, the Company's primary objective is to ensure the entity can continue as a going concern while obtaining sufficient funding to meet its obligations as they come due. The Company manages this risk by regularly evaluating its liquid financial resources to fund current and long-term obligations and to meet its capital commitments in a cost-effective manner. The main factors that affect liquidity include working capital requirements, capital-expenditure requirements, and equity capital market conditions. The Company's liquidity requirements are met through a variety of sources, including cash and cash equivalents and equity capital markets.

As of June 30, 2022, the Company is exposed to liquidity risk since it had a cash and cash equivalents balance of $114,572 (December 31, 2021: $422,719) to settle current liabilities of $2,226,810 (December 31, 2021: $1,444,916). Based on management's assessment of its past ability to obtain required funding, the Company believes that it will be able to satisfy its current and long-term obligations as they come due. The Company has disclosed in Note 2 to these consolidated financial statements the existence of circumstances which may cast significant doubt on its ability to continue as a going concern.

Credit risk

The Company has credit risk arising from accounts receivable from the sale of research business services to commercial customers. The Company manages this risk by reviewing the credit worthiness of material new customers, monitors customer payment performance, has weekly meetings to discuss uncollected accounts, and, where appropriate, reviews the financial condition of existing customers.

The Company has credit risk arising from the potential from counterparty default on cash and cash equivalents held on deposit with financial institutions. The Company manages this risk by ensuring that deposits are only held with large Canadian banks and financial institutions, whereas any offshore deposits are held with reputable financial institutions.

Interest rate risk

This is the sensitivity of the fair value or of the future cash flows of a financial instrument to changes in interest rates. The Company does not have any financial assets or liabilities that are subject to variable interest rates.

Commodity price risks

This is the sensitivity of the fair value of, or of the future cash flows, from mineral assets. The Company manages this risk by monitoring mineral prices and commodity price trends to determine the appropriate timing for funding the exploration or development of its mineral assets, or for the acquisition or disposition of mineral assets. The Company does not have any mineral assets at the development or production stage carried at historical cost. The Company has expensed the acquisition and exploration costs of its exploration stage mineral assets.

Currency risk

This is the sensitivity of the fair value or of the future cash flows of financial instruments to changes in foreign exchange rates. The Company transacts with customers and suppliers in currencies other than the Canadian dollar, including the US dollar. The Company also has monetary and financial instruments that may fluctuate due to changes in foreign exchange rates. As of June 30, 2022, the Company estimated that a 10% decrease of the CAD versus foreign exchange rates would result in a gain of $2,256 (2021: gain of $2,512).

	June 30, 2022	**December 31, 2021**
Cash and cash equivalents (USD)	$ 35,128	$ 3,801
Accounts receivable (USD and EUR)	16,149	22,652
Accounts payable and accrued liabilities (USD)	(28,718)	(1,332)
Net foreign exchange exposure	$ 22,559	$ 25,121
Impact of 10% change in foreign exchange rates	$ 2,256	$ 2,512

19. Subsequent Events

On July 19, 2022, the Company sold the Stone debentures for $3,335,200 plus an additional payment of $183,625 for the reimbursement of legal expenses.

On July 21, 2022, the Company repaid the credit facility.

On July 29, 2022, the Company granted 1,800,000 stock options under the LTIP. Each option is exercisable for a period of 5 years and has an exercise price of $0.065. The Company also completed a share for debt settlement whereby 2,566,569 common shares were issued to settle debt totalling $166,827.