



IC CAPITALIGHT CORP.

Condensed Interim Consolidated Financial Statements

For the Six and Three Months Ended June 30, 2023, and 2022

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, 2023 | December 31, 2022 |
|--|--------------------------|------------------------------|
| Assets | | |
| Current assets: | | |
| Cash and cash equivalents | \$ 1,555,392 | \$ 2,123,977 |
| Accounts receivable (note 6) | 42,053 | 26,648 |
| Amounts receivable (note 17) | 19,881 | 58,917 |
| Prepaid expenses | 6,875 | 26,361 |
| Investments (note 7) | 454,625 | 61,400 |
| Total current assets | 2,078,826 | 2,297,303 |
| Exploration and evaluation assets (note 5) | 1 | 1 |
| Property, plant, and equipment (note 8) | 1,137 | 1,357 |
| Intangible asset (note 9) | 30,207 | 34,512 |
| Total Assets | \$ 2,110,171 | \$ 2,333,173 |
| Liabilities | | |
| Current liabilities: | | |
| Accounts payable and accrued liabilities (note 18) | 500,031 | 350,657 |
| Short-term debt (note 10) | 40,000 | 40,000 |
| Deferred revenue (note 11) | 158,243 | 116,591 |
| Deferred debenture obligation (note 12) | 330,000 | 330,000 |
| Deferred flow-through obligation (note 13) | 8,547 | 8,547 |
| Total current liabilities | 1,036,821 | 845,795 |
| Total Liabilities | 1,036,821 | 845,795 |
| Shareholders' Equity | | |
| Share capital (note 14) | 8,705,126 | 8,640,126 |
| Contributed surplus (note 16) | 1,045,009 | 1,045,009 |
| Accumulated deficit | (8,676,785) | (8,197,757) |
| Total Shareholders' Equity | 1,073,350 | 1,487,378 |
| Total Liabilities and Shareholders' Equity | \$ 2,110,171 | \$ 2,333,173 |

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

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

| | Six Months Ended June 30, 2023 | Six Months Ended June 30, 2022 | Three months ended June 30, 2023 | Three months ended December 31, 2021 |
|--|--------------------------------------|--------------------------------------|---|---|
| Revenues | | | | |
| Research revenues | \$ 335,130 | \$ 333,744 | \$ 179,826 | \$ 190,314 |
| Consulting revenues | 31,674 | 27,900 | 31,674 | - |
| Total Revenues | \$ 366,804 | \$ 361,644 | \$ 211,500 | \$ 190,314 |
| Expenses | | | | |
| Research business expenses (note 17) | 396,954 | 325,921 | 199,691 | 157,679 |
| Exploration and evaluation expenses (note 5) | 235,848 | 83 | 191,214 | (336) |
| General and administrative expenses (note 17) | 240,797 | 378,723 | 134,175 | 222,784 |
| Depreciation (note 8) | 220 | 4,889 | 110 | 4,816 |
| Amortization of brand value (note 9) | 4,306 | - | 2,153 | (1,568) |
| Interest expense | 1,025 | 289,353 | 420 | 124,136 |
| Accretion (note 10) | - | 172,039 | - | 98,222 |
| Loss on remeasurement of credit facility (note 10) | - | 55,499 | - | - |
| Foreign exchange loss | 8,766 | 1,039 | 8,629 | 407 |
| Total expenses | 887,916 | 1,227,546 | 536,392 | 606,140 |
| Net loss before other income | (521,111) | (865,902) | (324,891) | (415,826) |
| Investments income (note 7) | 46,177 | 56,071 | 26,481 | - |
| Unrealized (loss) gain on investments (note 7) | (4,093) | 659,690 | (8,186) | 262,267 |
| Net (loss) income and comprehensive (loss) income | \$ (479,028) | \$ (150,141) | \$ (306,597) | \$ (153,559) |
| Weighted-average common shares (basic) | 93,317,759 | 90,419,146 | 93,547,253 | 90,419,146 |
| Net income (loss) per common shares (basic) | \$ (0.01) | \$ (0.00) | \$ (0.00) | \$ (0.00) |
| Weighted-average common shares (diluted) | 93,317,759 | 94,807,691 | 93,547,253 | 90,419,146 |
| Net income (loss) per common shares (basic) | \$ (0.01) | \$ (0.00) | \$ (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, 2021 | 90,419,146 | 8,467,799 | 977,041 | (7,462,457) | 1,982,383 |
| Warrants issued for credit facility (note 10) | - | - | 20,745 | - | 20,745 |
| Net loss | - | - | - | (150,141) | (150,141) |
| Balance as of June 30, 2022 | 90,419,146 | 8,467,799 | 997,786 | (7,612,598) | 1,852,987 |
| Shares issued for settlement of debt (note 14) | 2,566,569 | 166,827 | - | - | 166,827 |
| Stock options granted under long-term incentive plan (note 15) | - | - | 113,108 | - | 113,108 |
| Shares issued for conversion of restricted share units (note 16) | 100,000 | 5,500 | (5,500) | - | - |
| Cash settlement for conversion of restricted share units (note 16) | - | - | (60,385) | - | (60,385) |
| Net Loss | - | - | - | (585,159) | (585,159) |
| Balance as of December 31, 2022 | 93,085,715 | 8,640,126 | 1,045,009 | (8,197,757) | 1,487,378 |
| Shares issued for acquisition of mineral properties | 1,000,000 | 65,000 | - | - | 65,000 |
| Net Loss | - | - | - | (479,028) | (479,028) |
| Balance as of June 30, 2023 | 94,085,715 | 8,705,126 | 1,045,009 | (8,676,785) | 1,073,350 |

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, 2023 | Six Months Ended June 30, 2022 |
|--|---|---|
| Operating activities | | |
| Net (loss) income | \$ (479,028) | \$ (150,141) |
| <i>Add (deduct) items not affecting cash:</i> | | |
| Accretion | - | 172,039 |
| Loss on remeasurement of credit facility | - | 55,499 |
| Depreciation | 220 | 4,889 |
| Amortization of brand value | 4,306 | - |
| Share-based acquisition of mineral property | 65,000 | - |
| Unrealized gain on investments | 4,093 | (659,690) |
| Subtotal | (405,409) | (577,404) |
| <i>Change in non-cash working capital balances:</i> | | |
| Increase (decrease) in accounts receivable and debenture income receivable | 23,631 | (31,532) |
| (Increase) decrease in prepaid expenses | 19,486 | (2,552) |
| (Decrease) increase in accounts payable and accrued liabilities | 149,373 | 257,768 |
| (Decrease) increase in deferred revenue | 41,652 | 38,693 |
| Net cash (used in) from operating activities | \$ (171,267) | \$ (315,027) |
| Investing activities | | |
| Purchase of equipment | - | (1,760) |
| Business acquisition | - | (270,000) |
| Short-term loan | (397,318) | - |
| Net cash (used in) investing activities | \$ (397,318) | \$ (271,760) |
| Financing activities | | |
| Proceeds from short-term debt | - | 278,640 |
| Net cash (used in) from financing activities | \$ - | \$ 278,640 |
| Net increase in cash and cash equivalents | (568,585) | (308,147) |
| Cash and cash equivalents, beginning | 2,123,977 | 422,719 |
| Cash and cash equivalents, ending | \$ 1,555,392 | \$ 114,572 |

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 is a merchant bank that pursues value-based investment opportunities in accordance with its investment policies. Business investments consist of Capitalight Research Inc. (“Capitalight Research”), a wholly owned subsidiary that publishes proprietary subscription-based research focused on (1) equity technical analysis, (2) gold, silver, and critical metals sectors, and (3) bonds and economics. Capitalight Research generates recurring revenues and is expected to generate positive operating cash flows. Mineral exploration investments consist of the exploration and evaluation stage Blue Lake Cu-Ni-Pt-Pd property near Schefferville, Quebec. Investments consist of the equities of a gold exploration company.

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

These consolidated financial statements were approved by the Board of Directors on August 29, 2023.

2. Basis of Presentation

Statement of compliance with IFRS

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”) and International Accounting Standards (“IAS”) 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.

The accounting policies applied in the preparation of the consolidated financial statements for the year ended December 31, 2022 are set out below.

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, 2022 and 2021, including the accounting policies and notes thereto, which were prepared in accordance with IFRS.

Basis of measurement

These 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, 2023, the Company had an accumulated deficit of \$8,676,785 (December 31, 2022: deficit of \$8,197,757) and cash used in operations of \$568,585 (2021: \$315,027). 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 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 consolidated financial statements. These adjustments could be material.

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 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.

Useful life of intangibles: The preparation of the consolidated financial statements requires management to make judgments and estimates regarding the useful life of acquired intangibles.

Impairment of goodwill and intangibles: The preparation of the consolidated financial statements requires management to make judgments and estimates regarding the expected cash flows and discount rates for each cash generating units (CGU's) to determine the impairment of the fair value of financial assets carried at amortized costs and of 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.

4. Summary of Significant Accounting Policies

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, 2022 and 2021.

5. Exploration and Evaluation Assets

| | Total |
|-----------------------------|--------------|
| Balance, December 31, 2021 | \$ 1 |
| Balance, December 31, 2022 | \$ 1 |
| Balance as of June 30, 2023 | \$ 1 |

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, which is located northeast of Schefferville, Quebec. On February 12, 2013, the Company completed the earn-in by completing a 2,377-line km VTEM and a 1,767-line km ProspecTEM airborne survey, which showed anomalous EM responses in the region of the historic Blue Lake mineral deposit (this historic deposit is hosted on claims not held by the Company). These 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 by the Company to acquire all or part of the NSR on the same terms and conditions as set out in a notice provided to the Company by the holder (the "NSR ROFR"). In 2014, after obtaining additional VTEM airborne and Pt-Pd sampling data from Anglo American Exploration (Canada), the Company staked the Blue Lake South property to the southeast of the historic Blue Lake mineral deposit. During the year ended December 31, 2017, the Company elected to write-down the carrying value of the Blue Lake claims to \$1 and most of the Blue Lake South claims were allowed to lapse. 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. On May 19, 2023, the Company completed the acquisition of 12 mineral claims from two vendors through the issuance of 1,000,000 common shares of the Company valued at \$65,000 based on a closing price of \$0.065 per common share and cash payment of \$45,000 and a 1% net smelter royalty that can be repurchased at any time for a payment of \$1,000,000. The Company was awarded 5 fractional mineral claims upon the dissolution of a La Fosse Special Mining Lease. The Blue Lake property now consists of 281 contiguous mineral claims.

Exploration and evaluation expenditures

During the six months ended June 30, 2023, the Company incurred mineral claim management and renewal fees of \$235,848 (2022: \$83).

IC Capitalight Corp.
Notes to the Condensed Interim Consolidated Financial Statements
For the six and three months ended June 30, 2023, and 2022

6. Accounts Receivable

| | June 30, 2023 | December 31, 2022 |
|---------------------------------|------------------|----------------------|
| Current | \$ 41,265 | \$ 5,277 |
| 1 - 30 days past due | - | 300 |
| 31 – 60 days past due | - | 14,900 |
| 61 – 90 days past due | - | - |
| > 90 days past due | 2,627 | 8,010 |
| Subtotal | 43,892 | 28,487 |
| Lifetime expected credit losses | (1,839) | (1,839) |
| Ending balance | \$ 42,053 | \$ 26,648 |

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, 2021 | \$ 620 |
| Loss allowance remeasurement | 1,219 |
| Balance as of December 31, 2022 | \$ 1,839 |
| Loss allowance remeasurement | - |
| Balance as of June 30, 2023 | \$ 1,839 |

7. Investments

As of June 30, 2023, the investment portfolio consisted of the following marketable securities:

- 409,333 common shares of Prospector Metals Corp. (TSXV: PPP) with a market value of \$57,307 based on the closing price.
- Short-term loan of \$397,318 (USD\$300,000) bearing 15% interest per annum payable quarterly and maturing on April 14, 2024.

During the six months ended June 30, 2022, the Company:

- Recognized unrealized losses of \$4,093 on the revaluation of common shares.
- Recognized interest income on the short-term loan of \$11,250.

As of June 30, 2023, the investment portfolio consisted of the following:

| | As at December 31, 2022 | Purchases (Non-Cash) | Purchases (Cash) | Disposition Net Proceeds | Realized Gains (Losses) | Unrealized Gains (Losses) | As at June 30, 2023 |
|-----------------|-------------------------------|-------------------------|---------------------|-----------------------------|----------------------------|------------------------------|---------------------------|
| Common shares | \$ 61,400 | \$ - | \$ - | \$ - | \$ - | \$ (4,093) | \$ 57,307 |
| Short-Term Loan | - | - | 397,318 | - | - | - | 397,318 |
| Total | \$ 61,400 | \$ - | \$ 397,318 | \$ - | \$ - | \$ (4,093) | \$ 454,625 |

Fair value hierarchy

| | Level 1 | Level 2 | Level 3 | As at June 30, 2023 |
|-----------------|-----------|---------|---------|---------------------------|
| Common shares | \$ 57,307 | \$ - | \$ - | \$ 57,307 |
| Short-Term Loan | - | - | 397,318 | 397,318 |
| Total | \$ 57,307 | \$ - | \$ - | \$ 57,307 |

IC Capitalight Corp.
Notes to the Condensed Interim Consolidated Financial Statements
For the six and three months ended June 30, 2023, and 2022

8. Property, Plant and Equipment

| | Equipment | Total |
|-----------------------------|------------------|--------------|
| Balance, December 31, 2021 | \$ - | \$ - |
| Additions | 1,760 | 1,760 |
| Depreciation | (403) | (403) |
| Balance, December 31, 2022 | \$ 1,357 | \$ 1,357 |
| Additions | - | - |
| Depreciation | (220) | (220) |
| Balance as of June 30, 2023 | \$ 1,137 | \$ 1,137 |

9. Intangible Assets

On February 16, 2022, the Company recognized the value of the P&C brand upon acquisition of the P&C business. During the year ended December 31, 2022, the Company recognized brand value amortization of \$10,979. Brand value was tested for impairment on December 31, 2022 based on revised cash flow expectations for the P&C cash generating unit and using a 4.5% relief from royalty valuation model amortized over five years resulting in the recognition of impairment of \$17,245.

| | Movement in Brand Value |
|-----------------------------------|------------------------------------|
| Balance as of December 31, 2021 | \$ - |
| Recognition on acquisition of P&C | \$ 62,736 |
| Amortization | (10,979) |
| Impairment | (17,245) |
| Balance as of December 31, 2022 | \$ 34,512 |
| Amortization | (4,305) |
| Balance as of June 30, 2023 | \$ 30,207 |

10. Short-Term Debt

The Company's subsidiary Capitalight Research 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, 2023. The loan principal is not subject to any interest until after December 31, 2023. Under the loan, the Company has previously withdrawn \$40,000 and intends to repay the loan principal. As of June 30, 2023, the had a carrying balance of \$40,000 (December 31, 2022: \$40,000).

11. Deferred Revenue

Deferred revenues arise from the sale of annual subscriptions to the Company's research products. The deferred revenues are expected to be recognized into revenues over the next twelve months.

| | Movement in Deferred Revenues |
|--|--|
| Balance as of December 31, 2021 | \$ 162,378 |
| Deferred revenue recognized into revenue where performance obligations have been completed | (215,002) |
| Additions to deferred revenue where performance obligations have not been completed | 169,215 |
| Balance as of December 31, 2022 | \$ 116,591 |
| Deferred revenue recognized into revenue where performance obligations have been completed | (67,442) |
| Additions to deferred revenue where performance obligations have not been completed | 109,094 |
| Balance as of June 30, 2023 | \$ 158,243 |

12. 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 settled with the vendor.

| | Movement in Deferred Obligation |
|----------------------------------|--|
| Balance as of December 31, 2021 | \$ 330,000 |
| Accretion of deferred obligation | - |
| Balance as of December 31, 2022 | \$ 330,000 |
| Accretion of deferred obligation | - |
| Balance as of June 30, 2023 | \$ 330,000 |

13. 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. As of June 30, 2023, the provision had been reduced to \$8,547 as a result of payouts to the subscribers.

14. 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, 2023, the Company had 94,085,715 common shares issued and outstanding (December 31, 2022: 93,085,715).

The following changes occurred during the six months ended June 30, 2023:

- On May 19, 2023, a total of 1,000,000 common shares were issued for the acquisition of mineral claims.

15. 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, 2023, the Company had 1,306,504 common share purchase warrants issued and outstanding (December 31, 2022: 1,306,504) with a weighted average expiration of 3.52 years (December 31, 2022: 4.02) which are exercisable into 1,306,504 common shares (December 31, 2022: 1,306,504) at a weighted average exercise price of \$0.078 (December 31, 2022: \$0.078).

| Issued Date | Expiration Date | Exercise Price | As at | | | As at June 30, 2023 |
|------------------------|----------------------------|---------------------------|------------------------------|---------------|---------------------------------|------------------------------------|
| | | | December 31, 2022 | Issued | Expired or Cancelled | |
| 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 | | | 1,306,504 | - | - | 1,306,504 |

IC Capitalight Corp.
Notes to the Condensed Interim Consolidated Financial Statements
For the six and three months ended June 30, 2023, and 2022

16. 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, 2023, the Company had 6,000,000 stock options issued and outstanding (December 31, 2022: 6,000,000) with a weighted average expiration of 2.58 years (December 31, 2022: 3.08 years) which are exercisable into 6,000,000 common shares (December 31, 2022: 6,000,000) at a weighted average exercise price of \$0.058 (December 31, 2022: \$0.058). All stock options that are outstanding vested on their grant date.

| Award and Vesting Date | Expiration Date | Exercise Price | As at December 31, 2022 | Awarded | Expired or Cancelled | Exercised | As at June 30, 2023 |
|-------------------------------|------------------------|-----------------------|--------------------------------|----------------|-----------------------------|------------------|----------------------------|
| 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 |
| July 29, 2022 | July 29, 2027 | \$ 0.065 | 1,800,000 | - | - | - | 1,800,000 |
| Totals | | | 6,000,000 | - | - | - | 6,000,000 |

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, 2023, the Company had 461,540 RSUs issued and outstanding (December 31, 2022: 461,540) with a weighted average expiration of 1.50 years (December 31, 2022: 2.0) which entitle the holders to receive 461,540 common shares (December 31, 2022: 461,540) for no additional consideration if they satisfy their vesting conditions prior to the vesting date.

| Award Date | Vesting Date | Expiration Date | As at December 31, 2022 | Awarded | Expired or Cancelled | Converted | As at June 30, 2023 |
|--|---------------------|------------------------|--------------------------------|----------------|-----------------------------|------------------|----------------------------|
| Unvested RSUs - Milestone vesting condition | | | | | | | |
| June 23, 2021 | December 31, 2023 | December 31, 2024 | 461,540 | - | - | - | 461,540 |
| Totals | | | 461,540 | - | - | - | 461,540 |

IC Capitalight Corp.
Notes to the Condensed Interim Consolidated Financial Statements
For the six and three months ended June 30, 2023, and 2022

17. 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, 2023 | Six months ended June 30, 2022 | Three months ended June 30, 2023 | Three months ended June 30, 2022 |
|--|--------------------------------------|--------------------------------------|---|---|
| Research business segment | | | | |
| Research revenues | \$ 335,130 | \$ 333,744 | \$ 179,826 | \$ 190,314 |
| Research expenses | | | | |
| Payroll and benefits | 178,364 | 186,017 | 88,866 | 103,584 |
| Consultants and services | 134,849 | 112,547 | 63,556 | 67,115 |
| Office and administrative | 28,295 | 46,093 | 12,601 | 29,071 |
| Sales and marketing | 7,735 | 14,344 | 1,207 | 3,184 |
| Rent | 11,112 | - | 5,556 | - |
| Professional and legal fees | (2,653) | 11,126 | - | 4,954 |
| Travel expenses | 4,257 | 7,802 | 379 | 5,582 |
| Bad debts | 34,994 | 5,211 | 27,525 | 1,408 |
| Total research expenses | 396,953 | 383,140 | 199,690 | 214,898 |
| Research business segment income (loss) | (61,823) | (49,396) | (19,864) | (24,584) |
| Exploration properties segment | | | | |
| Mineral claim renewal fees | 235,848 | 83 | 191,214 | (336) |
| Total exploration and evaluation expenses | 235,848 | 83 | 191,214 | (336) |
| Exploration properties segment income (loss) | (235,848) | (83) | (191,214) | 336 |
| Investment segment | | | | |
| Consulting revenues | 31,674 | 27,900 | 31,674 | - |
| Realized gain on investments | - | - | - | - |
| Unrealized (loss) gain on investments | (4,093) | 659,690 | (8,186) | 262,267 |
| Investments income | 46,177 | 56,071 | 26,481 | - |
| Total investment segment income (loss) | 73,758 | 743,661 | 49,969 | 262,267 |
| Total segments income (loss) | (223,913) | 694,182 | (161,109) | 238,019 |
| General and administrative expenses | | | | |
| Consulting fees | 140,000 | 130,755 | 61,500 | 68,505 |
| Professional and legal fees | 80,100 | 176,089 | 62,100 | 87,336 |
| Office and administrative | 12,162 | 14,291 | 7,515 | 10,002 |
| Public filing fees | 3,095 | - | 325 | - |
| Insurance expenses | 5,440 | 369 | 2,735 | (278) |
| Total general and administrative expenses | 240,797 | 321,504 | 134,175 | 165,565 |
| Interest expense | 1,026 | 289,353 | 421 | 124,136 |
| Depreciation | 220 | 183 | 110 | 110 |
| Amortization of brand value | 4,306 | 4,705 | 2,153 | 3,137 |
| Accretion | - | 172,039 | - | 98,222 |
| Loss on remeasurement of credit facility | - | 55,499 | - | - |
| Foreign exchange (gain) loss | 8,766 | 1,039 | 8,629 | 407 |
| Net (loss) income and comprehensive (loss) income | \$ (479,028) | \$ (150,140) | \$ (306,597) | \$ (153,558) |

18. 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, 2023 | Six Months Ended June 30, 2022 | Three months ended June 30, 2023 | Three months ended June 30, 2022 |
|-----------------------------|--------------------------------------|--------------------------------------|--|--|
| Management consulting fees | \$ 140,000 | \$ 130,755 | \$ 61,500 | \$ 68,505 |
| Professional and legal fees | 13,500 | 11,700 | \$ 6,750 | \$ 6,300 |
| Share-based compensation | - | - | \$ - | - |
| Total | \$ 153,500 | \$ 142,455 | \$ 68,250 | \$ 74,805 |

The following key management related party balances existed as of June 30, 2023, and December 31, 2022:

| | As of June 30, 2023 | As of December 31, 2022 |
|--|---------------------------|-------------------------------|
| Accounts payable and accrued liabilities due to companies controlled by key management | \$ 231,898 | \$ 138,329 |
| Amounts receivable from companies controlled by key management | \$ - | \$ - |

19. Capital Management

There were no changes in the Company's approach to capital management during the six months ended June 30, 2023.

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 implemented an operating budget for the research business and limited discretionary expenditures related to the exploration property.

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, 2023, the Company had a working capital surplus of \$1,042,005 (December 31, 2022: surplus of \$1,451,508).

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.

20. 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, 2023, the Company was not exposed to liquidity risk since it had a cash and cash equivalents balance of \$1,555,392 (December 31, 2022: \$2,123,977) to settle current liabilities of \$1,036,821 (December 31, 2022: \$845,795). 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 and amounts 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.

Other than accounts receivables, the Company has credit risk arising from potential of 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, 2023, the Company estimated that a 10% decrease of the CAD versus foreign exchange rates would result in a gain of \$6,046 (2021: gain of \$3,540).

| | June 30, 2023 | December 31, 2022 |
|--|--------------------------|------------------------------|
| Cash and cash equivalents (USD) | \$ 45,288 | \$ 20,315 |
| Accounts receivable (USD and EUR) | 20,865 | 28,656 |
| Accounts payable and accrued liabilities (USD) | (5,689) | (13,574) |
| Net foreign exchange exposure | \$ 60,464 | \$ 35,397 |
| Impact of 10% change in foreign exchange rates | \$ 6,046 | \$ 3,540 |

