Teako Minerals Corp. (formerly 1111 Exploration Corp.)

Condensed Interim Consolidated Financial Statements

For the six months ended

July 31, 2023

(Unaudited – Prepared by Management)

(Expressed in Canadian Dollars)

NOTICE OF NO AUDITOR REVIEW
OF THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

The accompanying condensed interim consolidated financial statements of Teako Minerals Corp (the “Company”) as at and for the three and six months ended July 31, 2023, have been prepared by management of the Company and approved by the Company’s Audit Committee.

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

The accompanying condensed interim consolidated financial statements of the Company have been prepared by and are the responsibility of the Company’s management. The Company’s independent auditor has not performed a review of these financial statements in accordance with standards established by CPA Canada for a review of condensed interim consolidated financial statements by an entity’s auditor.

Teako Minerals Corp. (formerly 1111 Exploration Corp.)

Condensed Interim Consolidated Statements of Financial Position

Unaudited – Prepared by Management

(Expressed in Canadian Dollars)

As at July 31, 2023 and January 31, 2023

	Note	**July 31, 2023 $**	January 31, 2023 $
Assets			
Current assets			
Cash		83,473	323,887
Receivables and prepayments	3	25,412	9,949
		108,885	333,836
Non-current assets			
Prepaid exploration expenditures		35,051	-
Reclamation bonds	4(d)	61,000	22,600
Mineral property interests	4	1,499,442	440,763
		1,595,493	463,363
Total assets		**1,704,378**	797,199
Liabilities and shareholders' equity			
Current liabilities			
Accounts payable and accrued liabilities		44,727	23,702
Accounts payable to related parties	7	128,938	89,312
Flow-through premium liability	10	11,880	44,797
Total liabilities		**185,545**	157,811
Shareholders' equity			
Share capital	5	2,102,283	1,007,783
Reserves	5	51,500	51,500
Accumulated other comprehensive income		185	-
Deficit		(635,135)	(419,895)
Total shareholders' equity		**1,518,833**	639,388
Total liabilities and shareholders' equity		**1,704,378**	797,199
Nature of operations and going concern	1		
Commitment	10		
Subsequent events	11		

Approved on behalf of the Board of Directors on September 20, 2023:

"Robert Cameron" **Director** *"Sven Gollan"* **Director**

Teako Minerals Corp. (formerly 1111 Exploration Corp.)

Condensed Interim Consolidated Statements of Changes in Shareholders' Equity

Unaudited – Prepared by Management

(Expressed in Canadian Dollars)

For the six months ended July 31, 2023 and July 31, 2022

	Number of common shares #	Share capital $	Reserves $	Accumulated other comprehensive income $	Deficit $	Total shareholders' equity $
January 31, 2022	15,028,633	597,332	56,300	-	(279,181)	374,451
Exercise of warrants for services	200,000	10,000	-	-	-	10,000
Re-allocated on exercise of warrants	-	-	(5,400)	-	5,400	-
Loss and comprehensive loss for the period	-	-	-	-	(62,055)	(62,055)
July 31, 2022	15,228,633	607,332	50,900	-	(335,836)	322,396
January 31, 2023	23,372,433	1,007,783	51,500	-	(419,895)	639,388
Issue of shares for cash - private placement	2,250,000	112,500	-	-	-	112,500
Exercise of warrants	20,000	2,000	-	-	-	2,000
Shares issued for mineral property interests	24,000,001	980,000	-	-	-	980,000
Foreign currency translation adjustment	-	-	-	185	-	185
Loss for the period	-	-	-	-	(215,240)	(215,240)
July 31, 2023	**49,642,434**	**2,102,283**	**51,500**	**185**	**(635,135)**	**1,518,833**

Teako Minerals Corp. (formerly 1111 Exploration Corp.)

Condensed Interim Consolidated Statements of Loss and Comprehensive Loss

Unaudited – Prepared by Management

(Expressed in Canadian Dollars)

For the three and six months ended July 31, 2023 and July 31, 2022

		Three months ended		Six months ended	
		July 31, 2023	July 31, 2022	**July 31, 2023**	July 31, 2022
	Note	**$**	$	**$**	**$**
Expenses					
General and administrative expenses	7	4,973	2,646	10,383	5,467
Investor relations and shareholder information		11,646	-	21,580	925
Professional and consulting fees	7	92,174	19,108	187,429	52,012
Property investigation		1,484	-	1,484	-
Transfer agent, filing and exchange fees		6,694	1,790	20,836	7,179
		(116,971)	(23,544)	**(241,712)**	(65,583)
Other expense	2	(6,445)	-	(6,445)	-
Settlement of flow-through premium liability	10	24,409	2,292	32,917	3,528
Loss for the period		**(99,007)**	(21,252)	**(215,240)**	(62,055)
Foreign currency translation adjustment		185	-	185	-
Comprehensive loss for the period		**(98,822)**	(21,252)	**(215,055)**	(62,055)
Loss per share					
Weighted average number of common shares outstanding					
- Basic #	6	**48,081,994**	15,228,633	**46,077,683**	15,132,500
- Diluted #	6	**48,081,994**	15,228,633	**46,077,683**	15,132,500
Basic loss per share $	6	**(0.00)**	(0.00)	**(0.00)**	(0.00)
Diluted loss per share $	6	**(0.00)**	(0.00)	**(0.00)**	(0.00)

Teako Minerals Corp. (formerly 1111 Exploration Corp.)

Condensed Interim Consolidated Statements of Cash Flows

Unaudited – Prepared by Management

(Expressed in Canadian Dollars)

For the six months ended July 31, 2023 and July 31, 2022

	Note	**July 31, 2023 $**	July 31, 2022 $
Operating activities			
Loss for the period		(215,240)	(62,055)
Adjustments for:			
Settlement of flow-through premium liability		(32,917)	(3,528)
Other expense		6,445	-
Common shares issued for services - professional and consulting fees		-	10,000
Net change in non-cash working capital items	8	38,257	7,372
		(203,455)	(48,211)
Financing activities			
Issue of shares for cash		114,500	-
		114,500	-
Investing activities			
Reclamation bonds	4(d)	(38,400)	-
Mineral property acquisition costs	4(a)(iii)	(20,000)	(5,316)
Deferred exploration and evaluation expenditures		(58,679)	(25,277)
Prepaid exploration expenditures		(35,051)	-
Cash acquired from acquisition of Valence	2	486	-
		(151,644)	(30,593)
Change in cash		**(240,599)**	(78,804)
Cash, beginning of period		**323,887**	262,819
Effect of foreign exchange on cash		**185**	-
Cash, end of period		**83,473**	184,015

Supplemental cash flow information	8

1. Nature of operations and going concern

Teako Minerals Corp. (formerly 1111 Exploration Corp.) (the "Company") was incorporated in British Columbia under the provisions of the British Columbia Business Corporations Act on February 21, 2020 as 1111 Acquisition Corp., then changed its name on August 3, 2021, to 1111 Exploration Corp., and again changed its name to Teako Minerals Corp., on February 17, 2023. The Company's registered and records office address is 1100 – 1111 Melville Street, Vancouver BC V6E 3V6.

The Company's common shares trade on the Canadian Securities Exchange ("CSE" or the "Exchange") under the symbol "TMIN" (effective March 3, 2023). The Company's common shares formerly traded under the symbol "ELVN".

The Company's principal business activity is the acquisition, exploration and evaluation of mineral property interests located in Canada and Europe. The Company is in the process of exploring its mineral property interests in British Columbia, and Norway, and has not yet determined whether they contain mineral reserves that are economically recoverable. The Company's continuing operations and the underlying value and recoverability of the amounts shown for mineral property interests are entirely dependent upon the existence of economically recoverable mineral reserves, the ability of the Company to obtain the necessary financing to complete the exploration and development of the mineral property interests, obtaining the necessary permits to mine, and on future profitable production or proceeds from the disposition or option of the mineral property interests. The carrying amounts of mineral property interests are based on costs incurred to date and do not necessarily represent present or future values.

During the six months ended July 31, 2023, the Company acquired Valence Mining Services Ltd. (Note 2) an inactive company under which the Company acquired ownership of two newly incorporated companies in each of Finland and Norway, for the purpose of acquiring exploration stage mineral property interests in those respective countries.

These condensed interim consolidated financial statements (the "financial statements") are prepared on the basis that the Company will continue as a going concern, which assumes that the Company will be able to continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities and commitments in the normal course of operations. As an exploration stage company, the Company does not have traditional sources of revenue, has incurred losses since incorporation, and is reliant on equity financing, and a subsequently announced debt financing arrangement. Additionally, the Company subsequently announced the closing of a private placement which generated proceeds of $347,870 (Note 11(b)). As at July 31, 2023, the Company had a working capital deficiency of $76,660 (January 31, 2023 – a working capital surplus of $176,025).

The Company's operations have been funded from equity financings which is dependent upon many external factors, and there is no assurance that such financing will continue to be available with acceptable terms. The Company will continue to require additional funding to maintain its ongoing exploration programs, property option payments, and operations for the next fiscal year. These uncertainties may cast significant doubt about the Company's ability to continue as a going concern.

2. Significant accounting policies

Basis of presentation

These financial statements have been prepared in conformity with International Accounting Standard ("IAS") 34, Interim Financial Reporting, using the same accounting policies as detailed in the Company's annual audited financial statements for the period ended January 31, 2023, and do not include all the information required for full annual financial statements in accordance with International Financial Reporting Standards ("IFRS"), as issued by the International Accounting Standards Board ("IASB") and interpretations of the International Financial Reporting Interpretations Committee ("IFRIC"). It is suggested that these financial statements be read in conjunction with the annual audited financial statements.

These financial statements have been prepared on a historical cost basis, except for financial instruments measured at fair value. In addition, these financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

All amounts in these financial statements are presented in Canadian dollars which is the functional currency of the Company and its subsidiary Valence Mining Services Ltd. The functional currency of the Company's subsidiaries Teako Minerals Norway AS, and Teako Minerals Finland Oy, is the Norwegian Krone, and the Euro, respectively.

(Expressed in Canadian Dollars)

2. Significant accounting policies (continued)

New accounting standards

Certain pronouncements have been issued by the IASB or IFRIC that are effective for accounting periods beginning on or after January 1, 2023. The Company has reviewed these updates and determined that none are applicable or consequential to the Company and have been excluded from discussion within these significant accounting policies.

Principles of consolidation

These financial statements include the financial information of the Company and its subsidiaries.

These financial statements include the following entities:

Teako Minerals Corp.	100%	Parent company	Canada
Valence Mining Services Ltd. (“Valence”)	100%	Holding company	Canada
Teako Minerals Norway AS (“Teako Norway”)	100%	Exploration company	Norway
Teako Minerals Finland Oy (“Teako Finland”)	100%	Exploration company	Finland

On April 9, 2023, Teako Finland (Finland, Europe) was incorporated by a Director of the Company, and on July 5, 2023, ownership of Teako Finland was transferred to Valence. Teako Finland had been inactive since incorporation and had no assets or liabilities on the date it was acquired by the Company.

On May 4, 2023, the Company acquired Valence, a private company incorporated in the province of Alberta on May 25, 2022. Valence has been inactive since incorporation and had nominal assets and liabilities on the date of acquisition by the Company. For nominal consideration to acquire Valence, the Company acquired $486 in cash, sales tax receivable of $196, and accounts payable of $7,127, resulting in an excess of liabilities over assets acquired of $6,445 recognized as other expense.

The acquisition of Valence constitutes an asset acquisition and has been accounted for under the acquisition method in accordance with the guidance provided in *IFRS 3, Business Combinations* (“IFRS 3”). The assets acquired did not qualify as a business according to the definition in IFRS 3, and therefore the acquisition did not constitute a business combination. The allocation of the purchase price to the assets acquired and liabilities assumed is based on estimated fair values at the acquisition date.

On June 12, 2023, Teako Norway (Norway, Europe) was incorporated by Valence.

Subsidiaries are entities controlled by the Company and are included in the financial statements from the date that control commences until the date that control ceases. The accounting policies of subsidiaries are changed where necessary to align them with the policies adopted by the Company. Inter-company balances and transactions, and any unrealized income (loss) and expenses arising from inter-company transactions, are eliminated in preparing the financial statements.

3. Receivables and prepayments

Receivables and prepayments consists of the following:

	July 31, 2023	January 31, 2023
	$	$
Prepaid expenses	21,188	-
Sales tax recoverable	4,224	9,949
	25,412	9,949

(Expressed in Canadian Dollars)

4. Mineral property interests

The Company's mineral property interests consist of properties owned or under option located in British Columbia ("BC"), Canada, and Norway.

Changes in the project carrying amounts for the six months ended July 31, 2023, and July 31, 2022 are summarized as follows:

	January 31, 2023 $	**Acquisitions / staking $**	**Exploration and evaluation $**	**July 31, 2023 $**
Canada projects				
Pinnacle, BC	420,883	-	46,069	466,952
Wilcox, BC	19,880	-	1,165	21,045
Teako, BC	-	939,999	-	939,999
BQ, BC	-	1	11,445	11,446
Total	**440,763**	**940,000**	**58,679**	**1,439,442**
Norway projects				
Birtavarre	-	15,000	-	15,000
Vaddas	-	45,000	-	45,000
Total	-	60,000	-	60,000
Total projects	**440,763**	**1,000,000**	**58,679**	**1,499,442**

	January 31, 2022 $	Acquisitions / staking $	Exploration and evaluation $	July 31, 2022 $
Canada projects				
Pinnacle, BC	213,364	773	14,112	228,249
Wilcox, BC	-	4,543	-	4,543
Total projects	213,364	5,316	14,112	232,792

Exploration and evaluation expenditures consisted of the following:

Six months ended July 31, 2023	**Pinnacle $**	**Wilcox $**	**Teako $**	**Total $**
Assays	328	-	-	328
Field	7,199	-	900	8,099
Labour	24,927	1,165	9,505	35,597
Surveys	13,615	-	1,040	14,655
	46,069	**1,165**	**11,445**	**58,679**

Six months ended July 31, 2022	Pinnacle $	Total $
Field	3,017	3,017
Labour	11,095	11,095
	14,112	14,112

4. Mineral property interests (continued)

(a) Canada projects

(i) Pinnacle project, BC

In 2020 and as amended on August 26, 2022, the Company entered into an Option Agreement to earn a 70% interest in the copper-gold Pinnacle project from Pacific Empire Minerals Corp. ("PEMC"). Under the terms of the agreement, the Company can earn a 70% interest in the project by making cash payments and issuing common shares to PEMC, and incurring cumulative exploration expenditures by August 25, 2024, as follows (the "Earn-In"):

Cash payments (total of $460,000):

- $15,000 upon signing the agreement (paid);
- $25,000 on or before August 25, 2021 (paid);
- $35,000 on or before August 25, 2022 (paid);
- $35,000 on or before August 25, 2023 (subsequently paid);
- $50,000 on or before August 25, 2024;
- $100,000 on or before August 25, 2025; and
- $200,000 on or before August 25, 2026 (with the option to pay up to 50% of this amount in an equivalent value of common shares).

Cumulative exploration expenditures (total of $3,000,000):

- $100,000 on or before August 25, 2021 (incurred);
- $200,000 on or before December 31, 2022 (incurred);
- $600,000 on or before December 31, 2023;
- $1,250,000 on or before August 25, 2024;
- $2,000,000 on or before August 25, 2025; and
- $3,000,000 on or before August 25, 2026.

Issuances of common shares (total of 3,800,000 common shares):

- 200,000 common shares on or before August 25, 2021 (issued, fair value of $10,000 ($0.05 each));
- 300,000 shares on or before August 25, 2022 (issued, fair value of $16,500 ($0.055 each));
- 300,000 shares on or before August 25, 2023 (subsequently issued);
- 500,000 shares on or before August 25, 2024;
- 500,000 shares on or before August 25, 2025; and
- 2,000,000 shares on or before August 25, 2026.

Following the Earn-In, the Company must make a cash payment of $50,000 to PEMC (or the equivalent number of common shares) within three years of the Earn-In completion date, and each subsequent anniversary of such date. Additionally, PEMC will retain a 30% free-carried interest in the project up until the date that the Company publishes a National Instrument ("NI") 43-101 compliant Pre-Feasibility Study ("PFS") on the project. Following completion of the PFS, a Joint Venture will be formed whereby the Company will own a 70% initial interest and PEMC will own a 30% initial interest. Additionally, upon completion of the Earn-In, PEMC will retain a 2% Net Smelter Return Royalty ("NSR") which can be reduced to 1% by way of making a $1,000,000 cash payment to PEMC.

(ii) Wilcox project, BC

During the year ended January 31, 2023, the Company staked various copper-molybdenum-gold claims in northern BC at a cost of $4,543. The Wilcox project is wholly-owned by the Company.

4. **Mineral property interests** (continued)

(a) Canada projects (continued)

(iii) Teako project and BQ project, BC

On February 10, 2023, the Company executed a Mineral Property Purchase and Sale Agreement (superseding a letter of intent executed on January 12, 2023), to acquire a 100% interest in certain copper-gold mineral claims known as the Teako mineral claims located in northwestern BC, and certain gold mineral claims known as the BQ mineral claims located in north-central BC, from Teako Gold Corp. (“TGC”), a private company, for aggregate consideration of $940,000 paid by the Company as follows:

- A cash payment of $20,000 (paid);
- The issuance of 21,000,001 common shares (issued at a fair value of $840,000 ($0.04 each)); and
- The issuance of 2,000,000 common shares (issued at a fair value of $80,000 ($0.04 each)).

Except for $1 being allocated to the BQ project, the entirety of the consideration paid was allocated to the Teako project. The Teako claims within the project are subject to a 2% NSR which can be reduced to 1% by way of making a $1,000,000 cash payment to the royalty holder, an arm’s length party.

(iv) Yellow Moose project, BC

On July 18, 2023, and as subsequently amended on August 30, 2023, the Company executed a Purchase and Option Agreement with Cuprita Minerals Inc. (“Cuprita”) a private company based in Ontario, to purchase a 100% interest in the Yellow Moose gold project located in north-central BC in exchange for the issuance of 3,500,000 common shares of the Company (not yet issued). Additionally, Cuprita will retain a 2% NSR which can be reduced to 1% by way of making a $1,000,000 cash payment to Cuprita.

Completion of the transaction is subject to satisfaction of certain closing conditions by December 31, 2023.

(b) Norway projects

(i) Birtavarre and Vaddas projects

On July 12, 2023, the Company executed a Purchase and Option Agreement with Capella Minerals Limited (“Capella”) which, through its wholly-owned subsidiary, Capella Minerals Norway AS (“Cappella Norway”), has sold the Company a 50% interest in the Birtavarre and Vaddas copper-cobalt projects located in northern Norway (the “projects”), and has granted the Company the option to earn an additional 50% interest in the projects for consideration as set out below.

To acquire the initial 50% interest in the projects, the Company issued 1,000,000 common shares (fair value of $60,000 ($0.06 each)). To exercise the option to acquire an additional 50% interest in the projects, the Company is required to incur exploration expenditures of $100,000 by July 12, 2024, and issue Capella an additional 500,000 common shares of the Company (250,000 common shares on or before each of July 12, 2024, and July 12, 2025).

4. Mineral property interests (continued)

(c) Strategic Alliance – The Coring Company

On April 18, 2023, the Company executed a letter of intent ("LOI") with The Coring Company AS ("TCC"), a private Norwegian company, on the Sample Control System Mining Product (the "SCS Mining Product") developed by TCC.

Pursuant to the terms of the LOI the parties will partner on the development of the SCS Mining Product related to mining exploration activities by way of entering into a Research and Development Agreement ("R&D Agreement") (not yet completed), which has the objective of bringing the exploration module of the SCS Mining Product ("SCS Exploration Product") to the point of commercial use, and available for sublicence or resale to arm's length parties.

On June 22, 2023, the parties executed a License Agreement which does not supersede the LOI but encompasses the intentions and binding elements of the LOI. The License Agreement provides the Company with an exclusive two-year license for the SCS Exploration Product allowing it to use, sublicense, and resell the SCS Exploration Product. The License Agreement is part of a larger framework that includes a R&D Agreement (not yet completed), and a Project Agreement. The two-year license provides the Company with exclusive rights in respect of certain software and hardware components of the SCS Exploration Product.

As at July 31, 2023, the Company has not yet sublicensed or resold any software or hardware components of the SCS Exploration Product.

(d) Reclamation bonds

The Company holds two reclamation bonds with the British Columbia Ministry of Energy, Mines and Low Carbon Innovation, which are invested in guaranteed investment certificates bearing a variate rate of interest, with a one-year term that automatically renews. One bond is on the Pinnacle project for $22,600, and the other on Teako project in the amount of $38,400.

5. Share capital and reserves

The authorized share capital of the Company consists of unlimited common shares without par value and without special rights or restrictions attached. All issued shares are fully paid.

Transactions for the issue of share capital during the six months ended July 31, 2023:

- On February 10, 2023, the Company completed a private placement comprising the issuance of 2,250,000 common shares at a price of $0.05 each for gross proceeds of $112,500. There were no finders' fees or other share issue costs recognized in connection with this placement.
- On February 10, 2023, the Company issued 21,000,001 common shares to TGC in respect of the acquisition of the Teako property (Note 4(a)(iii)). The common shares were issued at a fair value of $840,000 ($0.04 each). On June 5, 2023, the Company issued an additional 2,000,000 common shares at a fair value of $80,000 ($0.04 each) to TGC to complete the acquisition of the Teako property.
- On March 8, 2023, the Company issued 20,000 common shares upon the exercise of warrants at a price of $0.10 each for proceeds of $2,000.
- On July 12, 2023, the Company issued 1,000,000 common shares to Capella pursuant to the acquisition of the Norway projects (Note 4(b)(i)).

Transactions for the issue of share capital during the six months ended July 31, 2022:

- On April 28, 2022, 200,000 common shares were issued for services upon the exercise of warrants at $0.05 with a value of $10,000. Accordingly, $nil proceeds were received. In addition, $5,400 representing the fair value initially recognized on issuance of the warrants, was re-allocated from reserves to share capital.

(Expressed in Canadian Dollars)

5. Share capital and reserves (continued)

Escrowed Shares

Upon obtaining a public listing on the Exchange in August 2021, 3,673,333 common shares were subject to either an Escrow Agreement or Voluntary Pooling Agreement, (collectively, the "Escrowed and Pooled Shares"). The Escrowed and Pooled Shares are subject to a timed release in equal tranches over a period of 36 months with 10% (367,333) having been released upon listing on the Exchange. The remaining Escrowed and Pooled Shares will be released in equal tranches of 15% every 6 months thereafter.

As at July 31, 2023, 1,653,000 common shares (January 31, 2023 – 2,204,000) remain Escrowed or Pooled.

Stock options

The Company has adopted an incentive stock option plan (the "Plan"). The essential elements of the Plan provide that the aggregate number of common shares of the Company's capital stock issuable pursuant to options granted under the Plan may not exceed 10% of the issued and outstanding common shares. Options granted under the Plan will have a maximum term of ten years. The exercise price of options granted under the Plan will not be less than the greater of the closing market price of the common shares on: (i) the last closing market price of the Company's common shares immediately preceding the grant of the options; and (ii) the date of grant in respect of options granted to consultants, or such other price as may be agreed to by the Company and accepted by the Exchange. Vesting terms are determined by the Board of Directors at the time of grant.

A summary of the status of the Company's stock options as at July 31, 2023 and January 31, 2023 and changes during the period/year then ended is as follows:

	Period ended July 31, 2023		Year ended January 31, 2023	
	Options #	Exercise price $	Options #	Exercise price $
Options outstanding, beginning of period/year	1,125,000	0.10	1,125,000	0.10
Options outstanding, end of period/year	**1,125,000**	**0.10**	1,125,000	0.10

As at July 31, 2023, the Company has stock options outstanding and exercisable as follows:

Options outstanding #	Options exercisable #	Exercise price $	Expiry date	Average remaining life (years)
225,000	225,000	0.10	April 25, 2024	0.74
150,000	150,000	0.10	August 29, 2024	1.08
750,000	750,000	0.10	October 7, 2026	3.19
1,125,000	**1,125,000**	**0.10**		**2.44**

There was no share-based payments expense recorded for the six months ended July 31, 2023 and July 31, 2022.

(Expressed in Canadian Dollars)

5. Share capital and reserves (continued)

Warrants

As an incentive to complete private placements, the Company may issue units which include common shares and common share purchase warrants. Using the residual value method, the Company determines whether a value should be allocated to the warrants attached to the units sold in completed private placements. Compensatory warrants may be issued as a private placement share issue cost (finders' warrants), or for services, and are valued using the Black-Scholes option pricing model.

A summary of the status of the Company's warrants as at July 31, 2023 and January 31, 2023, and changes during the period/year then ended is as follows:

	Period ended July 31, 2023		Year ended January 31, 2023	
	Warrants #	Weighted average exercise price $	Warrants #	Weighted average exercise price $
Warrants outstanding, beginning of period/year	7,354,000	0.10	7,530,000	0.10
Issued - finders' warrants	-	-	24,000	0.05
Exercised	(20,000)	0.10	(200,000)	0.05
Warrants outstanding, end of period/year	**7,334,000**	**0.10**	7,354,000	0.10

As at July 31, 2023, the Company has warrants outstanding and exercisable as follows:

	Warrants outstanding #	Warrants exercisable #	Exercise price $	Expiry date	Average remaining life (years)
(1)	7,310,000	7,310,000	0.10	August 6, 2023	0.02
	8,000	8,000	0.05	November 7, 2024	1.27
	16,000	16,000	0.05	December 20, 2024	1.39
	7,334,000	**7,334,000**	**0.10**		**0.02**

(1) Subsequently expired unexercised.

The finders' warrants and compensatory warrants issued during the year ended January 31, 2023, were fair valued using the Black-Scholes option pricing model. The fair value is particularly impacted by the Company's stock price volatility and was determined using the following weighted average assumptions:

		January 31, 2023
Risk-free interest rate		3.85%
Expected life of warrants (years)		2.00
Expected volatility		100%
Dividend rate		0%
Weighted average fair value of per warrant issued	$	0.03

(Expressed in Canadian Dollars)

5. Share capital and reserves (continued)

Reserves

Reserves include the accumulated fair value of stock options recognized as share-based payments, and the fair value of compensatory warrants issued. Reserves is increased by the fair value of these items on vesting and/or issuance and is reduced by corresponding amounts when these items expire or are exercised or cancelled.

	Options $	Warrants $	Total $
January 31, 2022	50,900	5,400	56,300
Warrants exercised	-	(5,400)	(5,400)
July 31, 2022	50,900	-	50,900
January 31, 2023	50,900	600	51,500
July 31, 2023	**50,900**	**600**	**51,500**

6. Loss per share

The calculation of basic and diluted loss per share for the six months ended July 31, 2023, was based on the loss attributable to common shareholders of $215,240 (2022 - $62,055) and a weighted average number of common shares outstanding of 46,077,683 (2022 – 15,132,500).

7. Related party payables and transactions

Key management personnel are those persons who have the authority and responsibility for planning, directing, and controlling the activities of the Company, directly or indirectly. Key management includes executive and non-executive members of the Company's Board of Directors, its Officers, and companies in which they have control or significant influence.

There were no stock options granted to key management personnel during the six months ending July 31, 2023 and July 31, 2022.

The aggregate value of transactions for key management personnel remuneration and outstanding balances with related parties are as follows:

		Transactions six months ended July 31, 2023 **$**	Transactions six months ended July 31, 2022 $	**Balances outstanding July 31, 2023** **$**	Balances outstanding January 31, 2023 $
	DBM CPA	22,500	22,500	3,938	3,412
	Freeform Communications	20,400	11,886	52,000	37,000
(1)	Infiniti Drilling	29,598	9,756	-	-
	Jennifer Shaigec	2,500	-	2,500	-
	Jerker Tuominen	1,500	-	1,500	-
	Kristian Whitehead	-	-	-	2,000
	MDS Management	-	-	-	5,400
	Robert Cameron	17,500	6,600	56,500	41,500
	Sven Gollan	12,500	-	12,500	-
		106,498	50,742	**128,938**	89,312

(1) Represents geological services within exploration (Note 4).

(Expressed in Canadian Dollars)

7. Related party payables and transactions (continued)

The transactions with key management personnel and Directors are included in operating expenses unless otherwise specified as follows:

(a) General and administrative expenses:

- Includes office rent charged to the Company by Freeform Communications Inc. ("Freeform Communications") (see below for details of related party relationship).

(b) Professional and consulting fees:

- Includes accounting and tax services charged to the Company by Donaldson Brohman Martin, CPA Inc. ("DBM CPA"), a firm in which Dan Martino, CFO of the Company, has significant influence.
- Includes advisory fees accrued to Jennifer Shaigec, Director of the Company (subsequently resigned effective September 12, 2023).
- Includes advisory fees accrued to Jerker Tuominen, Director of the Company.
- Includes executive management services of Robert Cameron, former CEO and current President and a Director of the Company.
- Includes executive management services provided by Scott Young, a Director (subsequently resigned effective August 29, 2023) of the Company charged to the Company by Freeform Communications.
- Includes executive management services of Sven Gollan, CEO of the Company (subsequently appointed a Director of the Company effective September 12, 2023).

(c) Geological services:

- Includes services of Infiniti Drilling Corporation ("Infiniti Drilling") a company that provides geological services to the Company (included within mineral property interests (Note 4)). Infiniti Drilling is controlled by Kristian Whitehead, VP Exploration of the Company, and Director (effective July 6, 2023).

8. Supplemental cash flow information

Changes in non-cash operating working capital during the six months ended July 31, 2023 and July 31, 2022 comprised of the following:

	July 31, 2023 $	July 31, 2022 $
Receivables and prepayments	(15,267)	(1,017)
Accounts payable and accrued liabilities	13,898	(3,720)
Accounts payable to related parties	39,626	12,109
Net change	**38,257**	7,372

The Company incurred the following non-cash investing and financing activities during the six months ended July 31, 2023 and July 31, 2022:

	July 31, 2023 $	July 31, 2022 $
Non-cash investing activities:		
Mineral property acquisition costs paid by issuance of common shares	980,000	-
Deferred exploration costs included in accounts payable and accounts payable to related parties	-	1,406
Non-cash financing activities:		
Mineral property acquisition costs paid by issuance of common shares	(980,000)	-

Refer to Note 2 for assets and liabilities acquired from Valence for nominal consideration during the six months ended July 31, 2023.

No amounts were paid for interest or income taxes during the six months ended July 31, 2023 and July 31, 2022.

9. Financial risk management

Capital management

The Company is a junior exploration company and considers items included in shareholders' equity as capital. The Company manages its capital structure and adjusts it in light of changes in economic conditions and the risk characteristics of underlying assets. In order to maintain or adjust its capital structure, the Company may issue new shares under additional equity financing arrangements. The Company is not subject to any externally imposed capital requirements and does not presently utilize any quantitative measures to monitor its capital. The Company’s capital structure as at July 31, 2023 is comprised of shareholders’ equity of $1,518,833 (January 31, 2023 - $639,388). There were no changes to the Company’s approach to capital management during the six months ended July 31, 2023.

The Company currently has no source of revenue. In order to fund future exploration programs and pay for operating expenses, the Company will spend its existing working capital and raise additional funds as needed. The Company's ability to continue as a going concern on a long-term basis and realize its assets and discharge its liabilities in the normal course of business rather than through a process of forced liquidation is primarily dependent upon its ability to sell or option its mineral properties and its ability to raise additional financing from equity markets.

Financial instruments - fair value

The Company’s financial instruments consist of cash, reclamation bonds, accounts payable and accrued liabilities, and accounts payable to related parties. Cash under the fair value hierarchy is based on Level 1 quoted prices in active markets for identical assets or liabilities. The carrying value of accounts payable and accrued liabilities, and accounts payable to related parties approximates their fair value because of the short-term nature of these instruments.

Financial instruments measured at fair value on the condensed interim consolidated statements of financial position are summarized into the following fair value hierarchy levels:

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 (i.e., as prices) or indirectly (i.e., derived from prices).

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Financial instruments - classification

Financial assets:	Classification:	Subsequent measurement:
Cash	FVTPL	Fair value
Reclamation bonds	Amortized cost	Amortized cost

Financial liabilities:	Classification:	Subsequent measurement:
Accounts payable and accrued liabilities	Amortized cost	Amortized cost
Accounts payable to related parties	Amortized cost	Amortized cost

Financial instruments - risk

The Company’s financial instruments are exposed to certain financial risks, including credit risk, interest rate risk, market risk, and liquidity risk.

a) Credit risk

The Company is exposed to credit risk by holding cash, receivables, and a reclamation bonds. The risk on cash is minimized by holding the funds in a Canadian bank. The Company has minimal exposure to its receivables and reclamation bond as they are comprised of amounts due from the Canadian government. The Company’s maximum credit risk exposure is equal to the carrying value of these items.

b) Interest rate risk

The Company is not exposed to interest rate risk due to fluctuating interest rates as the Company does not have any financial assets or liabilities bearing variable rates of interest.

(Expressed in Canadian Dollars)

9. Financial risk management (continued)

Financial instruments – risk (continued)

c) Market risk

The Company has exposure to market risk with respect to equity prices. Equity price risk is defined as the potential adverse impact on the Company's profit or loss, or ability to raise capital from equity markets due to movements in individual equity prices or general movements in the level of the stock market.

d) Liquidity risk

Liquidity risk is the risk that the Company is unable to meet its financial obligations as they come due. The Company manages this risk by careful management of its working capital to ensure its expenditures will not exceed available resources. Refer to Note 1 for going concern details.

10. Commitment

Flow-through premium liability:

On December 20, 2022, the Company completed a private placement of flow-through shares for gross proceeds of $145,040. The Company is required to spend the funds on qualified exploration programs no later than December 31, 2023. The Company renounced the expenditures and available income tax benefits to the flow-through shareholders effective December 31, 2022. As at July 31, 2023 approximately $113,000 had been spent, leaving approximately $32,000 remaining to be spent.

The Company subsequently raised additional flow-through proceeds (Note 11).

The Company's flow-through premium liability as at July 31, 2023 and January 31, 2023, and changes during the period/year then ended is as follows:

	July 31, 2023	January 31, 2023
	$	$
Balance, beginning of period/year	44,797	36,250
Additions	-	54,390
Reduction - pro rata based on eligible expenditures	(32,917)	(45,843)
Balance, end of period/year	**11,880**	44,797

11. Subsequent events

(a) On August 2, 2023, the Company executed a letter of intent ("LOI") with The Coring Company AS (TCC) (Note 4(c)), to acquire 4.9% of the issued and outstanding common shares of TCC in exchange for 4.9% of the issued and outstanding common shares of the Company. The common shares of Teako and TCC have not yet been exchanged as of the date of these financial statements.

(b) On August 25, 2023, the Company closed a non-brokered private placement for proceeds of $347,870 from the issuance of 1,585,000 flow-through common shares at a price of $0.11 each ($174,350), and 1,927,999 non-flow-through units ("NFT Unit") at a price of $0.09 each ($173,520).

Each NFT Unit comprises one common share and one-half of a share purchase warrant with each whole warrant exercisable into a common share at a price of $0.20 until August 25, 2026 (36 months). The warrants are subject to an accelerated exercise clause.

11. Subsequent events (continued)

(c) On August 25, 2023, the Company closed a Shareholder Loan Agreement with a private company, Fruchtexpress Grabher GmbH & Co KG ("FEx") under which the Company will receive proceeds of $750,000 from a convertible loan. The loan has a five-year term and bears interest at 4% per annum, payable in common shares of the Company. Pursuant to the terms of the loan, the Company pledges 50% of the TCC common shares it will own upon completion of the LOI with TCC executed on August 2, 2023 (see above). After 24 months (August 25, 2025), and on each subsequent anniversary date thereafter until maturity of the loan, FEx can demand repayment of the loan by one of the following methods:

- Receiving 24.5% of the Company's 4.9% interest in the common shares of TCC;
- Converting the loan into common shares of the Company; or
- Receiving a cash payment, which is only an available option at the maturity of the loan (five years).

(d) The Company issued 300,000 common shares and paid cash of $35,000 to PEMC in connection with the option on the Pinnacle project (Note 4(a)(i).