STRATEGX ELEMENTS CORP.

Interim Condensed Financial Statements
For the six months ended June 30, 2023

(Expressed in Canadian Dollars)

(Unaudited – Prepared by Management)

MANAGEMENT’S RESPONBILITY FOR FINANCIAL REPORTING

The interim condensed financial statements and all information in the quarterly report are the responsibility of the Board of Directors and management. These interim condensed financial statements have been prepared by management in accordance with International Financial Reporting Standards. Management maintains the necessary systems of internal controls, policies and procedures to provide assurance that assets are safeguarded and that the financial records are reliable and form a proper basis for the preparation of financial statements.

The Board of Directors ensures that management fulfils its responsibilities for financial reporting and internal control through an Audit Committee. This committee, which reports to the Board of Directors, meets with the independent auditors and reviews the financial statements.

The interim condensed interim financial statements for the six months ended June 30, 2023 are unaudited and prepared by Management. The Company’s independent auditor has not performed a review of these interim condensed financial statements in accordance with standards established by the Chartered Professional Accountants of Canada for a review of interim financial statements by an entity’s auditor.

STRATEGX ELEMENTS CORP.
INTERIM CONDENSED STATEMENTS OF FINANCIAL POSITION
(Expressed in Canadian dollars)
(Unaudited)
AS AT,

	Notes	June 30, 2023	December 31, 2022
ASSETS			
Current			
Cash		$ 150,243	$ 539,021
Receivables		88,593	126,082
Prepaid expenses		50,298	70,473
Total current assets		289,134	735,576
Due from related party	9	134,789	134,789
Equipment	5	20,442	26,284
Long-term deposits	4	52,171	79,032
Exploration and evaluation assets	6	3,822,181	3,623,771
Total assets		$ 4,318,717	$ 4,599,452
LIABILITIES AND SHAREHOLDERS' EQUITY			
Current			
Accounts payable and accrued liabilities		$ 1,703,872	$ 1,768,355
Due to related parties	9	167,424	56,421
Loans	7	40,000	40,000
Deferred government grant	6	100,000	102,000
Total current liabilities		2,011,296	1,966,776
Flow-through share premium liability	12	64,161	64,161
Total liabilities		2,075,457	2,030,937
Shareholders' equity			
Share capital	8	4,719,738	4,719,738
Share subscription received in advance		25,000	-
Contributed surplus	8	477,716	434,917
Warrant reserve	8	121,180	121,180
Accumulated deficit		(3,100,374)	(2,707,320)
Total shareholders' equity		2,243,260	2,568,515
Total liabilities and shareholders' equity		$ 4,318,717	$ 4,599,452

Nature of operations (Note 1)
Going concern (Note 2)

On behalf of the Board:

"Darren Bahrey" Director *"Ryan McEachern"* Director

The accompanying notes are an integral part of these financial statements.

STRATEGX ELEMENTS CORP.
INTERIM CONDENSED STATEMENTS OF LOSS AND COMPREHENSIVE LOSS
(Expressed in Canadian dollars)
(Unaudited)

	Notes	Three months ended June 30, 2023	Three months ended June 30, 2022	Six months ended June 30, 2023	Six months ended June 30, 2022
EXPENSES					
Accounting and auditing		$ 15,046	$ 121	$ 15,046	$ 121
Corporate and shareholder communication		65,811	97,755	135,883	137,676
Insurance		5,612	4,988	14,464	10,479
Interest		9,313	-	26,319	-
Legal		476	10,451	476	15,451
Management fee	9	35,250	35,250	74,000	70,500
Office and miscellaneous		1,273	9,165	11,355	18,970
Rent		10,209	9,759	20,418	19,437
Salary and benefit		12,936	12,899	25,872	25,799
Share-based compensation	8	14,856	112,015	42,799	314,956
Transfer agent and filing		5,993	5,893	11,232	8,742
Travel		-	12,607	15,190	13,463
Loss and comprehensive loss for the period		$ (176,775)	$ (310,903)	$ (393,054)	$ (635,594)
Basic and diluted loss per common share		$ (0.01)	$ (0.01)	$ (0.01)	$ (0.03)
Weighted average number of common shares outstanding - Basic and diluted		32,652,679	24,853,263	32,652,679	24,853,263

The accompanying notes are an integral part of these financial statements.

STRATEGX ELEMENTS CORP.
INTERIM CONDENSED STATEMENTS OF CASH FLOWS
(Expressed in Canadian dollars)
(Unaudited)

	Six months ended June 30, 2023	Six months ended June 30, 2022
CASH FLOWS FROM OPERATING ACTIVITIES		
Net loss for the period	$ (393,054)	$ (635,594)
Items not involving cash:		
Share-based compensation	42,799	314,956
Foreign exchange	-	(1,931)
Changes in non-cash working capital items:		
Receivables	37,489	(4,897)
Accounts payable and accrued liabilities	(116,502)	(27,073)
Prepaid expenses	(24,825)	(18,546)
Due to related parties	63,798	13,725
Net cash used in operating activities	(390,295)	(359,360)
CASH FLOWS FROM FINANCING ACTIVITIES		
Shares issued for cash	-	850,815
Share issuance costs	-	(18,000)
Share subscription received in advance	25,000	-
Net cash provided by financing activities	25,000	832,815
CASH FLOWS FROM INVESTING ACTIVITIES		
Long-term deposits	26,861	(11,500)
Purchase of capital assets	-	(35,045)
Exploration advances	-	(100,000)
Government grants	100,000	102,000
Exploration and evaluation expenditures	(150,344)	(353,164)
Net cash used in investing activities	(23,483)	(397,709)
Change in cash during the period	(388,778)	75,746
Cash, beginning of period	539,021	831,038
Cash, end of period	$ 150,243	$ 906,784

Supplemental disclosures with respect to cash flows (Note 13)

The accompanying notes are an integral part of these financial statements.

STRATEGX ELEMENTS CORP.
INTERIM CONDENSED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
(Expressed in Canadian dollars)
(Unaudited)

	Share Capital						
	Number	Amount	Share subscription received in advance	Warrant reserve	Contributed surplus	Accumulated deficit	Total
Balance, December 31, 2021	24,853,263	$ 2,700,053	$ -	$ 120,519	$ -	$ (753,288)	$ 2,067,284
Private placement	2,836,050	825,815	-	-	-	-	825,815
Share-based compensation	-	-	-	-	314,956	-	314,956
Net loss for the period	-	-	-	-	-	(635,594)	(635,594)
Balance, June 30, 2022	27,689,313	3,525,868	-	120,519	314,956	(1,388,882)	2,572,461
Private placement	4,830,366	1,382,089	-	661	-	-	1,382,750
Share issuance costs	-	(188,219)	-	-	-	-	(188,219)
Share-based compensation	-	-	-	-	119,961	-	119,961
Net loss for the period	-	-	-	-	-	(1,318,438)	(1,318,438)
Balance, December 31, 2022	32,652,679	4,719,738	-	121,180	434,917	(2,707,320)	2,568,515
Share subscription received in advance	-	-	25,000	-	-	-	25,000
Share-based compensation	-	-	-	-	42,799	-	42,799
Net loss for the period	-	-	-	-	-	(393,054)	(393,054)
Balance, June 30, 2023	32,652,679	$ 4,719,738	$ 25,000	$ 121,180	$ 477,716	$ (3,100,374)	$ 2,243,260

1. NATURE OF OPERATIONS

StrategX Elements Corp. ("StrategX" or the "Company") was incorporated on June 28, 2018 under the laws of British Columbia, Canada. On January 10, 2022, the Company's common shares commenced trading on the Canadian Securities Exchange ("CSE") under the symbol "STGX".

The Company's principal business activity is the acquisition and exploration of mineral property interests. The Company is in the exploration stage and substantially all the Company's efforts are devoted to financing and developing these property interests. There has been no determination whether the Company's interests in unproven exploration and evaluation assets contain economically recoverable mineral resources.

The Company's head office is located at 514 – 55 Water Street, Vancouver, British Columbia, Canada.

2. BASIS OF PRESENTATION

Statement of compliance

These unaudited interim condensed financial statements, including comparatives that are unaudited, have been prepared in accordance with IAS 34 ("IAS 34") using accounting policies consistent with the International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB").

These interim condensed financial statements have been prepared using accounting policies consistent with those used in the Company's audited annual financial statements for the year ended December 31, 2022 except for income tax expense which is recognized and disclosed for the full financial year in the audited financial statements.

These interim condensed financial statements were authorized by the Board of Directors on August 25, 2023.

Basis of presentation

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.

Functional and presentation currency

The Company and its wholly owned subsidiary's reporting and functional currency is the Canadian dollar. Monetary assets and liabilities of the Company are translated into Canadian dollars at the exchange rate in effect on the statements of financial position date, while non-monetary assets and liabilities are translated at historical rates. Expenses are translated at the average rates over the reporting period. Gains and losses from these translations are included in profit or loss.

2. BASIS OF PRESENTATION *(cont'd…)*

Going concern

The business of mining and exploring for minerals involves a high degree of risk and there can be no assurance that current exploration programs will result in profitable mining operations. The recoverability of the carrying value of its resource properties and the Company's continued existence is dependent upon the preservation of its interest in the underlying properties, the discovery of economically recoverable reserves, the achievement of profitable operations, or the ability of the Company to raise alternative financing, if necessary, or alternatively, upon the Company's ability to dispose of its interests on an advantageous basis. Changes in future conditions could require material write-downs of the carrying values. Such adjustments could be material.

These financial statements have been prepared in accordance with IFRS on a going concern basis, which contemplates that the Company will be able to realize its assets and discharge its liabilities in the normal course of business. Accordingly, these financial statements do not include any adjustments to the amounts and classifications of assets and liabilities that might be necessary should the Company be unable to continue as a going concern. As at June 30, 2023, the Company has an accumulated deficit of $3,100,374 (December 31, 2022 - $2,707,320) and has a working capital deficiency of $1,722,162 (December 31, 2022 – deficiency of $1,231,200) and has incurred significant losses. These circumstances may cast significant doubt as to the ability of the Company to meet its obligations as they come due, and accordingly, the appropriateness of the use of accounting principles applicable to a going concern. The recovery of amounts capitalized for exploration and evaluation assets at June 30, 2023 and December 31, 2022, in the statements of financial position is dependent upon the ability of the Company to arrange appropriate financing to complete the development and continued exploration of the properties. The Company plans to raise funds primarily through the issuance of shares or obtain profitable operations. The outcome of these matters cannot be predicted at this time.

3. SIGNIFICANT ACCOUNTING POLICIES

These Interim Condensed Financial Statements have been prepared using accounting policies consistent with those used in the Company's audited consolidated financial statements for the year ended December 31, 2022.

New, amended and future accounting pronouncements

Accounting standards and amendments to existing accounting standards that have been issued but have future effective dates are either not applicable or are not expected to have a significant impact on the Company's financial statements.

4. LONG-TERM DEPOSITS

During the six months ended June 30, 2023, the Company received $26,861 (2022 - paid $15,000 to) from the Government of Nunavut in regards with various permit and license applications. As at June 30, 2023, the Company has total refundable deposits of $52,171 (December 31, 2022 - $79,032).

(Expressed in Canadian dollars)

5. EQUIPMENT

		Geological equipment
Cost		
Balance, December 31, 2021	$	-
Additions		35,045
Balance, December 31, 2022 and June 30, 2023	$	35,045
Accumulated amortization		
Balance, December 31, 2021	$	-
Additions		8,761
Balance, December 31, 2022		8,761
Additions		5,842
Balance, June 30, 2023	$	14,603
At December 31, 2022	$	26,284
At June 30, 2023	$	20,442

During the six months ended June 30, 2023, amortization of $5,842 (2022 - $2,920) was recorded in the exploration and evaluation assets.

(Expressed in Canadian dollars)

6. EXPLORATION AND EVALUATION ASSETS

	Project 939 (Northwest Territories)	*EA South (Northwest Territories)*	*Project Tasijuaq (Nunavut)*	*Project NagVaak (Nunavut)*	*Project Mel (Nunavut)*	*Total*
Balance, December 31, 2021	$ 927,780	$ 362,925	$ 35,071	$ 3,165	$ 68,617	$ 1,397,558
Acquisition	25,000	25,000	-	-	-	50,000
Staking costs and lease payments	-	-	2,340	5,330	-	7,670
Exploration						
Amortization (Note 5)	-	2,920	-	5,841	-	8,761
Assay	-	5,765	-	20,667	-	26,432
Camp	-	-	-	184,778	-	184,778
Community	690	690	-	-	-	1,380
Consulting (Note 10)	53,250	118,875	-	50,875	-	223,000
Data	7,575	22,188	-	15,469	-	45,232
Drilling	-	-	-	99,754	-	99,754
Equipment rental	-	-	-	76,009	-	76,009
Field	-	28,238	-	115,760	-	143,998
Flight and helicopter	-	-	-	778,293	-	778,293
Fuel	-	-	-	339,300	-	339,300
License and permitting	1,955	-	-	38,841	-	40,796
Geology	-	-	1,800	90,954	-	92,754
Geophysical	-	31,857	-	-	-	31,857
Travel	-	5,591	-	78,413	-	84,004
Government grant	-	-	-	(7,805)	-	(7,805)
Balance, December 31, 2022	1,016,250	604,049	39,211	1,895,644	68,617	3,623,771
Exploration						
Amortization (Note 5)	-	-	-	5,842	-	5,842
Assay	-	-	-	1,714	-	1,714
Consulting (Note 10)	-	32,750	2,500	73,317	-	108,567
Data	-	-	-	4,771	7,018	11,789
License and permitting	5,432	-	2,000	5,000	-	12,432
General exploration	-	-	-	7,066	3,000	10,066
Project manager	-	-	-	48,000	-	48,000
Balance, June 30, 2023	$ 1,021,682	$ 636,799	$ 43,711	$ 2,041,354	$ 78,635	$ 3,822,181

(Expressed in Canadian dollars)

6. EXPLORATION AND EVALUATION ASSETS (*cont'd…*)

Project 939 and EA South, Northwest Territories, Canada

On September 24, 2018, the Company entered into a Letter of Agreement (the "Agreement") with Hunter Exploration Group. Pursuant to the terms of the Agreement, the Company will acquire 100% of interest in the Project 939 and EA South Project located in the Northwest Territory, Canada. Project 939 and EA South comprises 12 prospecting permits (93,821 hectares) and 16 mining claims (12,638 hectares). The Agreement was replaced by a Property Purchase Agreement dated January 11, 2021 and subsequently amended on October 8, 2021 and then on December 20, 2022. According to the Property Purchase Agreement and the amendments, the Company will have the following obligations:

Cash payments

$100,000	On or before July 3, 2018 (paid)
$100,000	On or before August 17, 2018 (paid)
$50,000	On or before July 1, 2019 (paid)
$50,000	On or before July 1, 2021 (paid)
$50,000	On or before July 1, 2022 (paid)
$350,000	

Work Commitment

$300,000	By December 31, 2018
$700,000	By December 31, 2019
$1,000,000	By December 31, 2020
$2,000,000	By December 31, 2021
$4,000,000	(Amended to complete the total amount by December 31, 2024)

As of June 30, 2023, the Company has incurred accumulatively $1,701,481 (December 31, 2022 - $1,663,299) of exploration and evaluation assets.

Share payments

Issue 1,500,000 share units within 10 days of completing the $4,000,000 work commitment (Amended to issue the shares no later than January 10, 2025). Each share unit will be comprised of one common share of the Company and one share purchase warrant. Each warrant will be exercisable into one common share of the Company at a price of $0.50 per share for a period of five years from the date of issuance.

Annual Advanced Royalty Payment ("AARP")

Commencing July 1, 2023 (Amended to July 1, 2025), a $100,000 AARP to be paid on or before July 1 and that of each subsequent year until the commencement of commercial production.

Royalties

The Project is subject to 2% Net Smelter Royalty and a 2% Gross Overriding Royalty on diamonds.

(Expressed in Canadian dollars)

6. EXPLORATION AND EVALUATION ASSETS (*cont'd…*)

Project 939 and EA South, Northwest Territories, Canada (*cont'd…*)

Government grant

During the year ended December 31, 2022, the Company received government grants of $102,000 from the Government of the Northwest Territories (the "GNWT"). The Company recorded the $102,000 as deferred government grant at December 31, 2022. As at June 30, 2023, the Company transferred the $102,000 to accounts payable and accrued liabilities as the Company did not meet the expenditure requirement under the program.

Project Tasijuaq (previously "Project N"), Nunavut, Canada

During the year ended December 31, 2021, the Company staked 13 claims ("Project N"), 9,646 hectares located adject and outside of Mel Project (see note below), at the Melville Peninsula region of Nunavut, Canada. The staking cost is $30,175. In March 2022, the Company staked additional 4 claims, 1,013 hectares, at a cost of $2,340, and changed the project name from Project N to Project Tasijuaq.

Project NagVaak, Nunavut, Canada

Effective August 1, 2021, the Company entered into a Mineral Exploration Agreement with Nunavut Tunngavik Incorporated ("NTI"), pursuant to which, the Company obtained a renewable 20-year lease with an area of approximately 2,665 hectares expiring on July 31, 2041.

Annual fees

Year	Annual fees ($/hectare/year)	Due date
1	1	On signing (paid)
2-5	2	On 1st (paid), 2nd, 3rd and 4th anniversary dates
6-10	3	On 5th, 6th, 7th, 8th and 9th anniversary dates
11-15	4	On 10th, 11th, 12th, 13th and 14th anniversary dates
16-20	5	On 15th, 16th, 17th, 18th and 19th anniversary dates

Minimum annual exploration work requirement

Year	Minimum annual work requirement ($/hectare/year)
1-2	5 (Year 1 met)
3-5	10
6-10	20
11-15	30
16-20	40

Government grant

During the year ended December 31, 2022, the Company received government grants of $7,805 from the Government of Nunavut ("GN") for its community engagement support program.

During the six months ended June 30, 2023, the Company received government grants of $100,000 from the GN. The GN's contribution is towards mineral expenditure incurred by the Company on the Project NagVaak. The Company recorded the $100,000 as deferred government grant at June 30, 2023 which will be recognized to reduce the exploration and evaluation assets when all reporting requirements are met under the grant agreement.

6. EXPLORATION AND EVALUATION ASSETS (*cont'd…*)

Project Mel, Nunavut, Canada

Pursuant to an agreement with North Arrow Minerals Inc. dated January 13, 2021, the Company acquired 100% of the non-diamond mineral rights in respect of 46 mineral claims (covering approximately 56,075 ha of land) in Nunavut, commonly referred to as the "*MEL Project*", subject to a 1% gross overriding royalty on non-diamond mineral production from the property, half of which royalty may be purchased at any time by the Company for $1,000,000. This royalty applies to any property owned by the Company within an area of interest extending up to 5 km from the Mel Project boundary. Pursuant to the same agreement, the Company will be granted a 2% gross overriding diamond royalty (reduced to 1% in areas where there is an existing underlying royalty) over the same property, half of which royalty may be purchased by North Arrow Mines Inc. at any time for $2,000,000. As consideration being paid for Mel Project, both the 1% gross overriding royalty on non-diamond mineral production and the 2% gross overriding royalty are valued at $Nil.

Under the agreement, the parties also agreed to share exploration infrastructure in support of their respective exploration and evaluation efforts on the Melville Peninsula and accordingly also entered into a camp and permit sharing arrangement.

Title to resource properties

Although the Company has taken steps to verify the title to exploration properties in which it has an interest, in accordance with industry standards for the current stage of exploration of such properties, these procedures do not guarantee the Company's title. Property title may be subject to unregistered prior agreements or transfers and title may be affected by undetected defects.

Realization of assets

The investment in and expenditures on exploration properties comprise a significant portion of the Company's assets. Realization of the Company's investment in these assets is dependent upon the establishment of legal ownership, the attainment of successful production from the properties or from the proceeds of their disposal. Resource exploration and development is highly speculative and involves inherent risks. While the rewards if an ore body is discovered can be substantial, few properties that are explored are ultimately developed into producing mines. There can be no assurance that current exploration programs will result in the discovery of economically viable quantities of ore.

The amounts shown for acquisition costs and deferred exploration expenditures represent costs incurred to date and do not necessarily reflect present or future values. These costs will be depleted over the useful lives of the properties upon commencement of commercial production or written off if the properties are abandoned or the claims are permitted to lapse.

Environmental

The Company is subject to the laws and regulations relating to environmental matters in all jurisdictions in which it operates, including provisions relating to property reclamation, discharge of hazardous material and other matters. The Company may also be held liable should environmental problems be discovered that were caused by former owners and operators of its properties and properties in which it has previously had an interest. The Company conducts its mineral exploration activities in compliance with applicable environmental protection legislation. The Company is not aware of any existing environmental problems related to any of its current or former properties that may result in material liability to the Company. Environmental legislation is becoming increasingly stringent and costs and expenses of regulatory compliance are increasing. The impact of new and future environmental legislation on the Company's operations may cause additional expenses and restrictions. If the restrictions adversely affect the scope of exploration and development on the resource properties, the potential for production on the property may be diminished or negated.

7. LOANS

Canada Emergency Business Account ("CEBA") loan

On April 30, 2020, the Company received $40,000 of CEBA loan from Bank of Montreal. The loan is interest free, and $10,000 of the loan is eligible for loan forgiveness if $30,000 has been fully repaid on or before December 31, 2022. It also has no principal repayments during this period. The loan was recorded at a fair value of $23,257 using an effective rate of 10%, considering the grant, the interest- free loan and the forgivable portion. The residual value of $16,743 is recorded as other income.

In January 2022, the Company received a notice that the Government of Canada declined the Company's application of CEBA loan, and the CEBA loan has been converted into a non-revolving term loan as of January 21, 2022. Accordingly, the Company reversed $12,727 of the previously recorded government grant, and restored the loan balance to its original principal amount at $40,000 as of December 31, 2021.

During the six months ended June 30, 2023, interest of $Nil (2022 - $2,480) was recognized in the statements of loss and comprehensive loss. As of June 30, 2023, a balance of $40,000 (December 31, 2022 - $40,000) is recorded as short-term loans.

8. SHARE CAPITAL

Authorized - unlimited number of common shares without par value

Share issuance

At June 30, 2023, the Company had 32,652,679 (December 31, 2022 – 32,652,679) common shares issued and outstanding.

There were no share issuance during the six months ended June 30, 2023.

During the year ended December 31, 2022:

i) On December 30, 2022, the Company closed a non-brokered private placement by issuing 63,600 common share units at $0.25 per unit and 1,200,000 flow-through common shares at a price of $0.30 per share for gross proceeds of $375,900. Each share unit is comprised of one common share and one half share purchase warrant, with each whole warrant being exercisable for one common share at a price of $0.40 per share for three years. In relation with the private placement, the Company paid $21,600 of finders' fees, $2,351 filing fees and $16,500 legal fees.

ii) On December 2, 2022, the Company closed final tranche of a non-brokered private placement by issuing 660,600 common share units at $0.25 per unit and 335,000 flow-through common shares at a price of $0.30 per share for gross proceeds of $265,650. Each share unit is comprised of one common share and one half share purchase warrant, with each whole warrant being exercisable for one common share at a price of $0.40 per share for three years. In relation with the private placement, the Company paid $6,000 of finders' fees. The Company allocated a value of $661 to warrants.

iii) On October 25, 2022, the Company closed first tranche of a non-brokered private placement by issuing 1,901,000 common share units at $0.25 per unit and 803,166 flow-through common shares at a price of $0.30 per share for gross proceeds of $716,200. Each share unit is comprised of one common share and one half share purchase warrant, with each whole warrant being exercisable for one common share at a price of $0.40 per share for three years. In relation with the private placement, the Company paid $30,621 of finders' fees.

(Expressed in Canadian dollars)

8. SHARE CAPITAL *(cont'd…)*

iv) On June 30, 2022, the Company closed a non-brokered private placement by issuing 2,836,050 share units at $0.30 per unit for total proceeds of $850,815. Each share unit is comprised of one common share and one half share purchase warrant, with each whole warrant being exercisable for one common share at a price of $0.45 per share for three years. The Company paid $18,000 of finder's fee and accrued $7,000 legal fees.

Share escrow

In accordance with National Policy 46-201 - *Escrow for Initial Public Offerings* of the Canadian Securities Administrators, certain principals of the Company entered into escrow agreements with the Company and its transfer agent. Pursuant to the escrow agreements, 3,920,001 shares and 1,650,000 warrants were escrowed for a period of 36 months on December 17, 2021. During the escrowed period, the securityholders are not permitted to sell, transfer, assign, mortgage, or enter into a derivative transaction in regards with the escrowed securities. The escrowed securities were released by 10% on January 10, 2022, the date the Company's shares are listed for trading on CSE, and then 15% every six months thereafter. As of June 30, 2023, 2,352,001 (December 31, 2022 – 2,940,001) shares remain in escrow.

Stock options

On March 31, 2021, the Company adopted a stock option plan whereby the Board of Directors may, from time to time, grant options to directors, officers, employees and consultants. The term of the option grants is up to ten years and the vesting schedule, if any, will be determined by the Board of Directors. The maximum number of common shares reserved for issue shall not exceed 15% of the total number of common shares issued and outstanding as at the grant date.

On January 10, 2022, the Company granted incentive stock options to certain directors, officers, employees, and consultants of the Company to purchase up to an aggregate of 2,100,000 common shares of the Company. These options are exercisable for a period of five years at a price of $0.25 per share. All options will vest as to 10% on the date of grant, and a further 15% every three months thereafter. These options vested on the date of grant. The fair value of the stock options granted was $477,716 ($0.23 per option) at the date of grant. During the six months ended June 30, 2023, $42,799 (December 31, 2022, $434,917) was amortized and recorded in the statements of loss and comprehensive loss.

The fair value of the stock options granted was determined using the Black-Scholes option price modelling with the following assumptions:

Weighted average assumptions	**Year ended December 31, 2022**
Risk free interest rate	1.51%
Volatility	150%
Expected life of options	5 years
Dividend rate	0%

(Expressed in Canadian dollars)

8. SHARE CAPITAL *(cont'd…)*

Stock options *(cont'd…)*

Stock option transactions are summarized as follows:

	Number of Options		Weighted Average Exercise Price
Balance, December 31, 2021	-	$	-
Granted	2,100,000		0.25
Balance, December 31, 2022 and June 30, 2023	2,100,000	$	0.25
Exercisable, at June 30, 2023	1,470,000	$	0.25

At June 30, 2023, the Company has the following outstanding stock options outstanding:

Number of Options	Exercise Price	Expiry Date
2,100,000	$ 0.25	January 10, 2027

Warrants

On December 30, 2022, the Company closed a non-brokered private placement by issuing 63,600 share units at $0.25 per unit for total proceeds of $15,900. Each share unit is comprised of one common share and one-half share purchase warrant, with each whole warrant being exercisable for one common share at a price of $0.40 per share for three years. The fair value of the 31,800 warrants was $Nil by using the residual value method.

On December 2, 2022, the Company closed final tranche of a non-brokered private placement by issuing 660,600 share units at $0.25 per unit for total proceeds of $165,150. Each share unit is comprised of one common share and one-half share purchase warrant, with each whole warrant being exercisable for one common share at a price of $0.40 per share for three years. The fair value of the 330,300 warrants was $661 by using the residual value method.

On October 25, 2022, the Company closed first tranche of a non-brokered private placement by issuing 1,901,000 share units at $0.25 per unit for total proceeds of $475,250. Each share unit is comprised of one common share and one-half share purchase warrant, with each whole warrant being exercisable for one common share at a price of $0.40 per share for three years. The fair value of the 950,500 warrants was $Nil by using the residual value method.

On June 30, 2022, the Company closed a non-brokered private placement by issuing 2,836,050 share units at $0.30 per unit for total proceeds of $850,815. Each share unit is comprised of one common share and one-half share purchase warrant, with each whole warrant being exercisable for one common share at a price of $0.45 per share for three years. The fair value of the 1,418,024 warrants was $Nil by using the residual value method.

(Expressed in Canadian dollars)

8. SHARE CAPITAL *(cont'd…)*

Warrants *(cont'd…)*

The continuity of the Company's warrants as of June 30, 2023 is as follows:

	Number of Warrants	Weighted Average Exercise Price
Balance, December 31, 2021	4,250,000	$ 0.11
Issued	2,730,624	0.37
Balance, December 31, 2022 and June 30, 2023	6,980,624	$ 0.21

As at June 30, 2023, the following warrants are outstanding:

Number of Warrants	Exercise Price	Expiry Date
1,050,000	$ 0.15	January 10, 2024
3,200,000	$ 0.10	January 10, 2024
1,418,024	$ 0.45	June 30, 2025
950,500	$ 0.40	October 25, 2025
330,300	$ 0.40	December 2, 2025
31,800	$ 0.40	December 30, 2025

9. RELATED PARTY TRANSACTIONS

The Company entered into the following transactions with related parties during the six months ended June 30, 2023:

a) the Company paid or accrued consulting fees of $25,500 (2022 - $25,500) in exploration and evaluation assets, and $25,500 (2022 - $25,500) in management fees to a company controlled by the CEO. As of June 30, 2023, the Company had $35,700 (December 31, 2022 - $8,925) payable to the company controlled by the CEO and $39,319 (December 31, 2022 - $15,969) payable to the CEO for reimbursement of expenses incurred on behalf of the Company.

b) the Company paid or accrued management fees of $48,500 (2022 - $45,000) to a company controlled by the CFO. As of June 30, 2023, the Company had $58,800 (December 31, 2022 - $31,527) payable to the company controlled by the CFO.

c) the Company paid or accrued consulting fees of $48,000 (2022 - $Nil) in exploration and evaluation assets to a company controlled by the VP Exploration. As of June 30, 2023, the Company had $33,605 (December 31, 2022 - $Nil) payable to the company controlled by the VP Exploration.

d) the Company paid or accrued consulting fees of $Nil (2022 - $48,000) in exploration and evaluation assets to a company controlled by the former VP Exploration.

9. RELATED PARTY TRANSACTIONS *(cont'd…)*

e) Nil (2022 – 1,300,0000) stock options were granted to directors and officers having a fair value on issuance of $Nil (2022 - $295,729), of which $26,495 (2022 - $269,234) was amortized and recorded in the statements of loss and comprehensive loss during the six months ended June 30, 2023.

Due to related parties do not bear interest, are unsecured and repayable on demand.

Due from related party

On August 1, 2018, the Company and the CEO entered into a Revolving Line of Credit Agreement ("LOC"). Pursuant to the Agreement, the Company will make payments towards Project Green located in the Republic of Panama, of which the CEO currently holds the mineral property application. The LOC has a maximum funding amount of US$100,000, interest free, and repayable by July 31, 2025.

On June 15, 2021, the Company, the CEO and 10X Minerals Corp. ("10X") entered into a loan Assignment and Assumption Agreement, pursuant to which 10X assumed the LOC from the CEO, and the Company consent to the assignment of the LOC from the CEO to 10X. The Company expect to have the loan settled with common shares of 10X. 10X was incorporated on March 10, 2021 under the laws of British Columbia, Canada, and is also controlled by CEO. 10X is a junior exploration company focused on exploring diamonds and specialty minerals in Nunavut, Canada.

As of June 30, 2023 and December 31, 2022, the accumulated advance is US$99,543 (June 30, 2023 - $134,789; December 31, 2022 - $134,789).

(Expressed in Canadian dollars)

10. FAIR VALUE MEASUREMENT AND RISK MANAGEMENT

IFRS 13, Fair Value Measurement, establishes a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

Level 1 – quoted prices (unadjusted) in active markets for identical assets or liabilities;
Level 2 – inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and,
Level 3 - inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The following table sets forth the Company's financial instruments measured at fair value by level within the fair value hierarchy:

June 30, 2023	**Level 1**	**Level 2**	**Level 3**
Financial assets at FVTPL			
Cash	$ 150,243	$ -	$ -

December 31, 2022	**Level 1**	**Level 2**	**Level 3**
Financial assets at FVTPL			
Cash	$ 539,021	$ -	$ -

Financial risk management

The Company's objective in risk management is to maintain its ability to continue as a going concern. It is exposed to the following risks:

Liquidity risk

Liquidity risk is the risk that the Company might not be able to meet its obligations and commitments as they come due. As at June 30, 2023, the Company had cash of $150,243 (December 31, 2022 - $539,021) and a working capital deficiency of $1,722,162 (December 31, 2022 – deficiency of $1,231,200).

Credit risk

Credit risk arises from cash held with financial institutions as well as credit exposure on outstanding receivables. The Company's cash is held at high-credit rating financial institutions. Receivables only consist of refundable government goods and services tax. The Company has minimal credit risk.

Market risk

Market risk is the risk of loss that may arise from changes in market factors such as interest rates, foreign exchange rates, and commodity and equity prices.

i. Interest rate risk
Interest rate risk arises from changes in market rates of interest that could adversely affect the Company. The Company's exposure to interest rate risk is insignificant.

10. FAIR VALUE MEASUREMENT AND RISK MANAGEMENT *(cont'd…)*

ii. Foreign currency risk
Foreign currency risk arises from fluctuations in foreign currencies versus the Canadian dollar that could adversely affect reported balances and transactions denominated in those currencies. The Company currently has a due from related party balance which is denominated in U.S. Dollars. A 10% fluctuation in exchange rates between Canadian and U.S. Dollars would result in a $13,000 change in due from related party and foreign exchange loss. The Company does not use any techniques to mitigate foreign currency risk.

iii. Equity price risk
Equity price risk arises from market fluctuations in equity prices that could adversely affect the Company's operations. The Company's current exposure to equity price risk is limited to declines in the values and volumes including those of its own shares, which could impede its ability to raise additional funds when required.

11. CAPITAL MANAGEMENT

The Company's capital management objective is to ensure its ability to continue as a going concern to meet its operational obligations and to maintain capital access to fund its mineral exploration activities in Northwest Territory and Nunavut, Canada.

The capital that the Company manages is the total of liabilities and equity on the statements of financial position. The Company may modify the capital structure to meet its funding needs by issuing new equity shares and/or debt instruments, disposing assets or bringing in joint venture partners. To facilitate the management of its capital, the Company prepares annual budgets approved by the Board of Directors. The budget is reviewed and updated periodically to account for changes in the expenditures and economic conditions. The Company is not subject to any externally imposed capital requirements.

12. FLOW-THROUGH SHARE PREMIUM LIABILITIES

Flow-through share premium liabilities include the liability portion of the flow-through shares issued. The following is a continuity schedule of the liability portion of the flow-through shares issuances.

	Issued on October 25, 2022	Issued on December 2, 2022	Issued on December 30, 2022	Total
Balance, January 1, 2022	$ -	$	$ -	$ -
Liability incurred on flow-through shares issued	12,048	20,100	54,000	86,148
Settlement of flow-through share liability on incurring expenses	(12,048)	(9,939)	-	(21,987)
Balance, December 31, 2022 and June 30, 2023	-	10,161	54,000	66,161

(Expressed in Canadian dollars)

12. FLOW-THROUGH SHARE PREMIUM LIABILITIES *(cont'd…)*

During the year ended December 31, 2022:

On October 25, 2022, the Company raised $240,950 through the issuance of 803,166 flow-through shares at a price of $0.30 per share. A flow-through liability of $12,045 (premium of $0.015 per share) was recognized on the issuance date. As at December 31, 2022, the Company incurred all of the $240,950 qualified expenditures.

On December 2, 2022, the Company raised $100,500 through the issuance of 335,000 flow-through shares at a price of $0.30 per share. A flow-through liability of $20,100 (premium of $0.06 per share) was recognized on the issuance date. The Company incurred the $49,697 qualified expenses as of December 31, 2022.

On December 30, 2022, the Company raised $360,000 through the issuance of 1,200,000 flow-through shares at a price of $0.30 per share. A flow-through liability of $54,000 (premium of $0.45 per share) was recognized on the issuance date. The Company incurred the $Nil qualified expenses as of December 31, 2022.

13. SUPPLEMENT DISCLOSURES WITH RESPECT TO CASH FLOWS

		June 30, 2023		December 31, 2022
Exploration and evaluation assets included in accounts payable and accrued liabilities	$	695,440	$	700,421
Exploration and evaluation expenditures included in due to related parties	$	51,455	$	4,250
Share issue costs included in accounts payable and accrued liabilities	$	47,451	$	47,451
Flow-through share premium liability	$	-	$	86,148
Amortization in exploration and evaluation assets	$	5,842	$	8,761
Prepaids in accounts payable and accrued liabilities	$	26,500	$	71,500
Interest paid	$	-	$	-
Taxes paid	$	-	$	-

14. SEGMENTED INFORMATION

The Company has one reportable operating segment, being the acquisition and exploration of mineral properties. At June 30, 2023 and December 31, 2022, the Company's exploration and evaluation assets are located in Canada. All expenses and cash receipts pertaining to exploration and evaluation activities are capitalized.

15. EVENTS SUBSEQUENT TO THE REPORTING PERIOD

On August 14, 2023, the Company announced a non-brokered private placement to raise gross proceeds up to $1,000,000 (the "Offering"). The Offering will be comprised of a combination of (i) flow-through common shares (each an "FT Share") to be sold at $0.25 per FT Share, and (ii) non-flow-through units (each an "NFT Unit") to be sold at $0.20 per NFT Unit. Each NFT Unit will be comprised of one non-flow-through common share and one common share purchase warrant entitling the holder to purchase one non-flow-through common share of the Company for $0.30 per share for a period of three years.

On August 21, 2023, the Company closed the first tranche of its non-brokered private placement by issuing 440,000 FT Shares for gross proceeds of $110,000, and 300,000 NFT Units for gross proceeds of $60,000. In relation to the NFT Units, the Company issued 300,000 common share purchase warrants, each entitling the holder to purchase a non-flow-through common share of the Company for $0.30 per share until August 21, 2026. The Company paid finder's fees of $6,000 in relation to this closing.