STRATEGX ELEMENTS CORP.

Interim Condensed Financial Statements
For the six months ended June 30, 2024

(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, 2024 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, 2024	December 31, 2023
ASSETS			
Current			
Cash		$ 787,860	$ 5,766
Restricted cash	4	3,500,000	-
Receivables		107,602	106,139
Prepaid expenses	12	13,473	13,962
Total current assets		4,408,935	125,867
Due from related party	12	131,862	131,862
Equipment	6	8,761	14,602
Right-of-use asset	10	45,476	62,530
Long-term deposits	5	21,844	46,100
Exploration advance	7	303,390	3,390
Exploration and evaluation assets	7	2,321,350	2,197,472
Total assets		$ 7,241,618	$ 2,581,823
LIABILITIES AND SHAREHOLDERS' EQUITY			
Current			
Accounts payable and accrued liabilities		$ 856,347	$ 770,072
Due to related parties	12	269,711	211,660
Lease liability – short-term	10	34,457	31,747
Loans	8	40,382	40,000
Deferred government grant	7	-	100,000
Total current liabilities		1,200,897	1,153,479
Lease liability – long-term	10	12,790	30,726
Accounts payable – long-term	9	951,815	883,932
Flow-through share premium liability	15	1,425,000	22,000
Total liabilities		3,590,502	2,090,137
Shareholders' equity			
Share capital	11	8,337,238	4,907,738
Subscription received in advance	11	-	10,000
Contributed surplus	11	477,716	477,716
Warrant reserve	11	661	121,180
Accumulated deficit		(5,164,499)	(5,024,948)
Total shareholders’ equity		3,651,116	491,686
Total liabilities and shareholders’ equity		$ 7,241,618	$ 2,581,823

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, 2024	Three months ended June 30, 2023	Six months ended June 30, 2024	Six months ended June 30, 2023
EXPENSES					
Accretion and interest	9, 10	$ 36,734	$ 9,313	$ 77,912	$ 26,319
Accounting and auditing		4,000	15,046	19,000	15,046
Amortization – right-of-use assets	10	8,527	-	17,054	-
Corporate and shareholder communication		7,853	65,811	25,440	135,883
Insurance		5,634	5,612	13,551	14,464
Legal		10,557	476	10,557	476
Management fee	12	61,708	35,250	76,708	74,000
Office and miscellaneous		3,431	1,273	10,965	11,355
Rent		-	10,209	-	20,418
Salary and benefit		12,941	12,936	25,882	25,872
Share-based compensation	11	-	14,856	-	42,799
Transfer agent and filing		6,938	5,993	12,178	11,232
Travel		673	-	673	15,190
Loss before other items		(158,996)	(176,775)	$ (289,920)	$ (393,054)
Other items					
Gain on accounts payable settlement		7,850	-	7,850	-
Flow-through recovery	15	22,000	-	22,000	-
Loss and comprehensive loss for the period		$ (129,146)	$ (176,775)	$ (260,070)	$ (393,054)
Basic and diluted loss per common share		$ (0.00)	$ (0.01)	$ (0.01)	$ (0.01)
Weighted average number of common shares outstanding - Basic and diluted		37,530,042	32,652,679	36,039,932	32,652,679

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, 2024	Six months ended June 30, 2023
CASH FLOWS FROM OPERATING ACTIVITIES		
Net loss for the period	$ (260,070)	$ (393,054)
Items not involving cash:		
Accretion of interest	72,501	-
Amortization – right-of-use assets	17,054	-
Accrued interest	382	-
Gain on accounts payable settlement	(7,850)	-
Share-based compensation	-	42,799
Flow-through recovery	(22,000)	-
Changes in non-cash working capital items:		
Receivables	(1,463)	37,489
Accounts payable and accrued liabilities	(17,421)	(116,502)
Prepaid expenses	489	(24,825)
Due to related parties	45,303	63,798
Net cash used in operating activities	(173,075)	(390,295)
CASH FLOWS FROM FINANCING ACTIVITIES		
Shares issued for cash	4,910,000	-
Share issuance costs	(12,000)	-
Repayment of lease liability	(19,844)	-
Share subscription received in advance	-	25,000
Net cash provided by financing activities	4,878,156	25,000
CASH FLOWS FROM INVESTING ACTIVITIES		
Long-term deposits	24,256	26,861
Exploration advances	(300,000)	-
Restricted cash	(3,500,000)	-
Government grants	-	100,000
Exploration and evaluation expenditures	(147,243)	(150,344)
Net cash used in investing activities	(3,922,987)	(23,483)
Change in cash during the period	782,094	(388,778)
Cash, beginning of period	5,766	539,021
Cash, end of period	$ 787,860	$ 150,243

Supplemental disclosures with respect to cash flows (Note 16)

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	Subscription received in advance	Warrant reserve	Contributed surplus	Accumulated deficit	Total
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
Private placement	740,000	170,000	(25,000)	-	-	-	145,000
Share issuance costs	-	(14,000)	-	-	-	-	(14,000)
Flow-through share premium	-	(22,000)	-	-	-	-	(22,000)
Flow-through share premium reversal	-	54,000	-	-	-	-	54,000
Subscription received in advance	-	-	10,000	-	-	-	10,000
Share-based compensation	-	-	-	-	42,799	-	42,799
Net loss for the period	-	-	-	-	-	(1,924,574)	(1,924,574)
Balance, December 31, 2023	33,392,679	4,907,738	10,000	121,180	477,716	(5,024,948)	491,686
Private placement	17,900,000	4,790,000	-	-	-	-	4,790,000
Share issuance costs	-	(65,500)	-	-	-	-	(65,500)
Flow-through share premium	-	(1,425,000)	-	-	-	-	(1,425,000)
Exercise of warrants	1,300,000	130,000	(10,000)	-	-	-	120,000
Expiry of warrants	-	-	-	(120,519)	-	120,519	-
Net loss for the period	-	-	-	-	-	(260,070)	(260,070)
Balance, June 30, 2024	52,592,679	$ 8,337,238	$ -	$ 661	$ 477,716	$ (5,164,499)	$ 3,651,116

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

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 IFRS Accounting 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, 2023 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 26, 2024.

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's reporting and functional currency is the Canadian dollar.

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.

2. BASIS OF PRESENTATION *(cont'd…)*

Going concern

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, 2024, the Company has an accumulated deficit of $5,164,499 (December 31, 2023 – $5,024,948) 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, 2024 and December 31, 2023 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. MATERIAL ACCOUNTING POLICY INFORMATION

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, 2023.

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. RESTRICTED CASH

On June 24, 2024, the Company closed a non-brokered private placement by issuing 15,000,000 charity flow-through common shares (the "Charity FT Shares") at $0.30 per share for gross proceeds of $4,500,000 (Note 11). The Company received $1,000,000 directly and the remaining $3,500,000 was deposited in a trust account with Fasken Martine Dumoulin LLP (the "Escrow Agent") as per an escrow agreement entered with the Escrow Agent and WCPD Advisers Inc. (the "Payment Certifier").

According to the escrow agreement, the proceeds shall only be used for qualified flow-through exploration expenditures. When exploration expenditure is incurred, the Company shall provide detailed documents and information to the Payment Certifier who will review and approve the expenditure. After receiving the approval from the Payment Certifier, the Escrow Agent will make payments to the suppliers directly from the trust account.

As of June 30, 2024, there is $3,500,000 (December 31, 2023 - $Nil) held in the Escrow Agent's trust.

5. LONG-TERM DEPOSITS

During the six months ended June 30, 2024, the Company received $24,256 (December 31, 2023 - $26,861) from the Government of Nunavut in regards with various permit and license applications. As at June 30, 2024, the Company has total refundable deposits of $21,844 (December 31, 2023 - $46,100) and deposit receivable of $11,503 (December 31, 2023 - $11,503).

(Expressed in Canadian dollars)

6. EQUIPMENT

	Geological equipment
Cost	
Balance, December 31, 2022 and 2023 and June 30, 2024	$ 35,045
Accumulated amortization	
Balance, December 31, 2022	$ 8,761
Additions	11,682
Balance, December 31, 2022	20,443
Additions	5,841
Balance, June 30, 2024	$ 26,284
At December 31, 2023	$ 14,602
At June 30, 2024	$ 8,761

During the six months ended June 30, 2024, amortization of $5,841 (2023 - $5,842) was recorded in exploration and evaluation assets.

(Expressed in Canadian dollars)

7. 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, 2022	$ 1,016,250	$ 604,049	$ 39,211	$ 1,895,644	$ 68,617	$ 3,623,771
Exploration						
Amortization (Note 6)	-	-	-	11,682	-	11,682
Assay	-	-	-	33,856	-	33,856
Consulting (Note 12)	-	34,875	5,350	129,967	-	170,192
Data	-	-	-	5,561	8,518	14,079
License and permitting	-	-	2,000	10,373	-	12,373
General exploration	-	-	-	14,389	3,000	17,389
Project manager (Note 12)	-	-	-	96,000	-	96,000
Impairment	(1,016,250)	(638,924)	(46,561)	-	(80,135)	(1,781,870)
Balance, December 31, 2023	-	-	-	2,197,472	-	2,197,472
Exploration						
Amortization (Note 6)	-	-	-	5,841	-	5,841
Consulting	-	-	-	3,800	-	3,800
Data	-	-	-	38,377	-	38,377
Drilling	-	-	-	32,393	-	32,393
General exploration	-	-	5,250	14,217	-	19,467
Project manager (Note 12)	-	-	-	24,000	-	24,000
Balance, June 30, 2024	$ -	$ -	$ 5,250	$ 2,316,100	$ -	$ 2,321,350

(Expressed in Canadian dollars)

7. 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, 2024, the Company has incurred accumulatively $1,698,174 (December 31, 2023 - $1,698,174) 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, 2024), 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.

Government grant

During the year ended December 31, 2022, the Company received government grants of $102,000 from the Government of Northwest Territories ("GNT"). The GNT's contribution is towards mineral expenditure incurred by the Company on the Project 939 and EA South. The Company recorded the $102,000 as deferred government grant at December 31, 2022 which was transferred to accounts payable and accrued liabilities during the year ended December 31, 2023, as the Company didn't complete the exploration work as planned.

(Expressed in Canadian dollars)

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

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

Impairment

As of December 31, 2023, the Company recognized an impairment of $1,655,174 on Project 939 and EA South due to a lack of exploration plan for year 2024.

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 Project Mel (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.

Impairment

As of December 31, 2023, the Company recognized an impairment of $46,561 on Project Tasijuaq due to a lack of exploration plan for year 2024.

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 (paid), 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 (met)
3-5	10
6-10	20
11-15	30
16-20	40

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

Project NagVaak, Nunavut, Canada *(cont'd…)*

Exploration advance

During the six months ended June 30, 2024, the Company advanced $300,000 (December 31, 2023 - $Nil) to a drilling contractor.

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 year ended December 31, 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 December 31, 2023 which was transferred to accounts payable and accrued liabilities during the six months ended June 30, 2024, as the Company didn't complete the exploration work as planned.

Project Mel, Nunavut, Canada

Pursuant to an agreement with North Arrow Minerals Inc. ("North Arrow") 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 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. The parties agreed to evenly share the cost of demobilization, abandonment and reclamation of the Mel camp in the event that the permits held by North Arrow are not renewed or replaced. As at December 31, 2023, North Arrow permits are in good standing.

Impairment

As of December 31, 2023, the Company recognized an impairment of $80,135 on Project Mel due to a lack of exploration plan for year 2024.

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.

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

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.

8. 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.

The Company was charged an interest at a rate of 5% per annum starting from January 19, 2024. As of June 30, 2024, a balance of $40,382 (December 31, 2023 - $40,000) is recorded as short-term loans.

(Expressed in Canadian dollars)

9. ACCOUNTS PAYABLE – LONG-TERM

Effective December 31, 2023, the Company entered into five forbearance agreements with its vendors. As of December 31, 2023, the Company had accounts payable totalling $1,280,678 with the five vendors. According to the forbearance agreements, the vendors agreed to extend the payment period of the accounts payable totalling $1,189,419 until December 2025.

For accounting purpose, as at December 31, 2023, the Company reclassified the $1,189,419 to long-term accounts payable and measured the present value ($883,932) using a discount rate of 16% as determined from its incremental borrowing rate. The difference of $305,487 is recorded as discount on fair value of long-term accounts payable.

A reconciliation of the Company's long-term accounts payable for the six months ended June 30, 2024 and for the year ended December 31, 2023 is as follows:

	Total
Balance, December 31, 2022	$ -
Initial recognition	883,932
Balance, December 31, 2023	883,932
Accretion of interest	67,883
Balance, June 30, 2024	$ 951,815

10. RIGHT-OF-USE ("ROU") ASSETS AND LEASE LIABILITY

On September 5, 2023, the Company entered into an office lease agreement for a 24-month lease period starting November 1, 2023. In accordance with IFRS 16 *Leases*, the Company recorded right-of-use assets of $68,215 and recognized lease liabilities of $68,215 on commencement of the lease. As at September 5, 2023, the Company measured the present value of its lease liabilities using a discount rate of 15% as determined from its incremental borrowing rate.

a) *Right-of-use asset*

A reconciliation of the Company's right-of-use asset for the six months ended June 30, 2024 and for the year ended December 31, 2023 is as follows:

	Total
Balance, December 31, 2022	$ -
Initial recognition of office lease	68,215
Amortization of ROU	(5,685)
Balance, December 31, 2023	62,530
Amortization of ROU	(17,054)
Balance, June 30, 2024	$ 45,476

(Expressed in Canadian dollars)

10. RIGHT-OF-USE ("ROU") ASSETS AND LEASE LIABILITY *(cont'd…)*

b) *Lease liability*

A reconciliation of the Company's lease liability for the six months ended June 30, 2024 and for the year ended December 31, 2023 is as follows:

		Total
Balance, December 31, 2022	$	-
Addition of new office lease		68,215
Accretion of interest		873
Lease payments		(6,615)
Balance, December 31, 2023		62,473
Accretion of interest		4,618
Lease payments		(19,844)
Balance, June 30, 2024	$	47,247

		June 30, 2024		December 31, 2023
Short-term portion of lease liability	$	34,457	$	31,747
Long-term portion of lease liability	$	12,790	$	30,726

c) *Lease commitment*

Minimum annual lease payments required for the year ending December 31, 2024 is $19,845 and $33,075 for the year ending December 31, 2025.

11. SHARE CAPITAL

Authorized - unlimited number of common shares without par value

Share issuance

At June 30, 2024, the Company had 52,592,679 (December 31, 2023 – 33,392,679) common shares issued and outstanding.

During the six months ended June 30, 2024:

1) On January 10, 2024, the Company issued 1,300,000 shares pursuant to exercise of 1,300,000 warrants at $0.10 per share, $10,000 of which was received in December 2023.

2) On May 3, 2024, the Company closed a non-brokered private placement by issuing 2,900,000 common shares at $0.10 per share for gross proceeds of $290,000. The Company paid a total of $12,000 as finder's fees.

3) On June 24, 2024, the Company closed a non-brokered private placement by issuing 15,000,000 charity flow-through common shares (the "Charity FT Shares") at $0.30 per share for gross proceeds of $4,500,000, of which $1,425,000 is recorded as FT share premium liability. The Company deposited $3,500,000 with the Escrow Agent's trust account (Note 3). The Company accrued $53,500 legal fees.

(Expressed in Canadian dollars)

11. SHARE CAPITAL *(cont'd…)*

Share issuance *(cont'd…)*

During the year ended December 31, 2023:

On August 21, 2023, the Company closed a non-brokered private placement by issuing 440,000 flow-through common shares (each an "FT Share") at $0.25 per FT Share for gross proceeds of $110,000, and 300,000 non-flow-through units (each an "NFT Unit") at $0.20 per NFT Unit 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 and accrued $8,000 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, 2024, 1,176,001 (December 31, 2023 – 1,764,001) 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.

There were no stock transaction activities during the six months ended June 30, 2024 or the year ended December 31, 2023.

Stock option transactions are summarized as follows:

	Number of Options	Weighted Average Exercise Price
Balance, December 31, 2022 and 2023, and June 30 2024	2,100,000	$ 0.25
Exercisable, at June 30, 2024	2,100,000	$ 0.25

At June 30, 2024, the Company has the following outstanding stock options outstanding:

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

(Expressed in Canadian dollars)

11. SHARE CAPITAL *(cont'd…)*

Warrants

On January 10, 2024, the Company issued 1,300,000 shares pursuant to exercise of 1,300,000 warrants at $0.10 per share. The remaining 1,900,000 warrants exercisable at $0.10 per share expired without being exercised. In addition, 1,050,000 warrants exercisable at $0.15 went expired. The Company transferred $120,519, the fair value of the 2,950,000 expired warrants from warrant reserve to deficit on the expiry date.

On August 21, 2023, the Company closed a non-brokered private placement by 300,000 share units at $0.20 per unit for gross proceeds of $60,000. Each unit is comprised of one common share and one share purchase warrant, with each warrant being exercisable for one common share at a price of $0.30 per share for three years. The fair value of the 300,000 warrants was $Nil by using the residual value method.

The continuity of the Company's warrants as of June 30, 2024 is as follows:

	Number of Warrants	Weighted Average Exercise Price
Balance, December 31, 2022	6,980,624	$ 0.24
Issued	300,000	0.30
Balance, December 31, 2023	7,280,624	0.24
Exercised	(1,300,000)	0.10
Expired	(2,950,000)	0.13
Balance, June 30, 2024	3,030,624	$ 0.49

As at June 30, 2024, the following warrants are outstanding:

Number of Warrants	Exercise Price	Expiry Date
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
300,000	$ 0.30	August 21, 2026

12. RELATED PARTY TRANSACTIONS

The Company entered into the following transactions with related parties during the six months ended June 30, 2024:

a) the Company paid or accrued consulting fees of $Nil (2023 - $25,500) in exploration and evaluation assets, and $34,000 (2023 - $25,500) in management fees to a company controlled by the CEO. As of June 30, 2024, the Company had $68,625 (December 31, 2023 - $60,775) payable to the company controlled by the CEO and $53 (December 31, 2023 - $9,660) payable to the CEO for reimbursement of expenses incurred on behalf of the Company.

As of June 30, 2024, the Company advanced $2,000 (December 31, 2023 - $Nil) in prepaids to the CEO for his business expenses.

b) the Company paid or accrued management fees of $27,708 (2023 - $Nil) to a company controlled by the interim CFO. As of June 30, 2024, the Company had $31,310 (December 31, 2023 - $Nil) payable to the company controlled by the former CFO.

c) the Company paid or accrued consulting fees of 24,000 (2023 - $48,000) in exploration and evaluation assets to a company controlled by the VP Exploration. As of June 30, 2024, the Company had $71,548 (December 31, 2023 - $58,800) payable to the company controlled by the VP Exploration.

d) the Company paid or accrued management fees of $15,000 (2023 - $48,500) to a company controlled by the former CFO. As of June 30, 2024, the Company had $98,175 (December 31, 2023 - $82,425) payable to the company controlled by the former CFO.

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 expects 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 the CEO. 10X is a junior exploration company focused on exploring diamonds and specialty minerals in Nunavut, Canada.

As of June 30, 2024 and December 31, 2023, the accumulated advance is US$99,543 (June 30, 2024 - $131,862; December 31, 2023 - $131,862).

(Expressed in Canadian dollars)

13. 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, 2024	**Level 1**	**Level 2**	**Level 3**
Financial assets at FVTPL			
Cash	$ 787,860	$ -	$ -
Restricted cash	$ 3,500,000	$ -	$ -

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, 2024, the Company had cash of $787,860 (December 31, 2023 - $5,766) and a working capital of $3,208,038 (December 31, 2023 – deficiency of $1,027,612). The Company intends to continue relying on the issuance of securities to finance its future activities; however, there can be no assurance that such financing will be available on a timely basis under terms acceptable to the Company.

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 is exposed to credit risk associated with due from related party which is secured by the shares of 10X, due July 31, 2025. The maximum exposure is the carrying value of $131,862.

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 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.

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

Market risk *(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.

14. 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.

15. 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 December 2, 2022	Issued on December 30, 2022	Issued on August 31, 2023	Issued on June 24, 2024	Total
Balance, December 31, 2022	$ 10,161	$ 54,000	$ -	$ -	$ 64,161
Liability incurred on flow-through shares issued	-	-	22,000	-	22,000
Reversal of flow-through share liability	-	(54,000)	-	-	(54,000)
Settlement of flow-through share liability on incurring expenses	(10,161)	-	-	-	(10,161)
Balance, December 31, 2023	-	-	22,000	-	22,000
Liability incurred on flow-through shares issued	-	-	-	1,425,000	1,425,000
Settlement of flow-through share liability on incurring expenses	-	-	(22,000)	-	(22,000)
Balance, June 30, 2024	$ -	$ -	$ -	$ 1,425,000	$ 1,425,000

(Expressed in Canadian dollars)

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

During the six months ended June 30, 2024:

On June 24, 2024, the Company closed a non-brokered private placement by issuing 15,000,000 charity flow-through common shares (the "Charity FT Shares") at $0.30 per share for gross proceeds of $4,500,000. A flow-through liability $1,425,000 (premium of $0.095 per share) was recognized on the issuance date.

During the year ended December 31, 2023:

On August 21, 2023, the Company raised $110,000 through the issuance of 440,000 flow-through common shares at $0.25 per share. A flow-through liability $22,000 (premium of $0.05 per share) was recognized on the issuance date. The Company incurred a cumulative of $110,000 (2023 - $Nil) of qualified expenses as of June 30, 2024.

During the year ended December 31, 2022:

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 a cumulative of $100,500 (2022 - $49,697) of qualified expenses as of December 31, 2023.

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 $0.045 per share) was recognized on the issuance date. The Company incurred $Nil of qualified expenses as of December 31, 2023. As a result, the Company accrued $52,200 of Part XII.6 tax and penalty and $144,000 of liabilities on indemnifying the investors as of December 31, 2023.

16. SUPPLEMENT DISCLOSURE WITH RESPECT TO CASH FLOWS

		June 30, 2024		June 30, 2023
Exploration and evaluation assets included in accounts payable and accrued liabilities	$	614,016	$	695,440
Exploration and evaluation expenditures included in due to related parties	$	101,936	$	51,455
Share issue costs included in accounts payable and accrued liabilities	$	85,000	$	47,451
Flow-through share premium liability	$	-	$	-
Amortization in exploration and evaluation assets	$	5,841	$	5,842
Prepaids in accounts payable and accrued liabilities	$	26,500	$	26,500
Interest paid	$	-	$	-
Taxes paid	$	-	$	-

17. SEGMENTED INFORMATION

The Company has one reportable operating segment, being the acquisition and exploration of mineral properties. At June 30, 2024 and December 31, 2023, the Company's exploration and evaluation assets are located in Canada. All expenses and cash receipts pertaining to exploration and evaluation activities are capitalized.