MAGNETIC NORTH ACQUISITION CORP

MAGNETIC NORTH ACQUISITION CORP.

FINANCIAL STATEMENTS

FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

(EXPRESSED IN CANADIAN DOLLARS)

Independent Auditor's Report

To the Shareholders of Magnetic North Acquisition Corp:

Opinion

We have audited the financial statements of Magnetic North Acquisition Corp. (the "Company"), which comprise the statements of financial position as at December 31, 2023 and 2022, the statements of loss and comprehensive loss, the statements of changes in shareholder's deficiency and the statements of cash flows for the years then ended, and notes to the financial statements, including a summary of material accounting policies ("financial statement").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2023 and 2022, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards ("IFRS accounting standards").

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audits of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of matter

1. **Material Uncertainty Related to Going Concern**

We draw attention to Note 1 in the financial statements, which indicates that the Company incurred a net loss of $1,407,328 (2022 – restated loss of $5,698,325) during the years ended December 31, 2023 and 2022 and, as of that date. The Company's current liabilities exceeded its current assets by $1,538,396 (2022 – working capital deficiency of $1,252,580). In addition, the Company has an accumulated deficit of $52,709,123 as at December 31, 2023 (December 31, 2022 restated - $51,301,795). As stated in Note 1, these events or conditions, along with other matters as set forth in Note 1, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

2. **Restated Comparative Information**

We draw attention to Note 2 to the financial statements, which explains that certain comparative information for the years ended December 31, 2022 and 2021 has been restated. Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are the matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matter described in the material uncertainty related to going concern section, we have determined the matters described below to be the key audit matters to be communicated in our report.

Financing activities of the Company	
We identified that the Company has entered into following significant financing transactions during the year: 1. Loan from Canadian financial institution amounting to USD 10 million at interest of US prime + 1.5%. 2. Letter of Credit in the amount of CDN$ 14,000,000 as security for the above loan and issuance of 450,000 preferred share purchase warrants to issuer of Letter of Credit. 3. Non-interest-bearing short term loan in the amount of $250,000 from a shareholder of the Company and issuance of 100,000 preferred share warrants. The Company utilized the guidance in IFRS accounting standards and made judgements regarding accounting of the financing arrangements including accounting for warrants and financing cost associated with the arrangements. We identified the classification and accounting of these arrangements under IFRS accounting standards as a key audit matter due to the significance of judgement involved and the resulting impact on the financial statements of the Company.	Our procedures in relation to this key audit matter included: • We obtained and reviewed the details of the financing arrangements entered by the Company during the year; • We performed inquiries from management regarding the purpose of the transactions; • We tested the accounting treatment of the transactions in accordance with IFRS accounting standards and performed recalculation; • We reviewed the disclosure included in the financial statements of the Company and checked the accuracy and completeness of the disclosure.

Other Information

Management is responsible for the other information. The other information comprises Management's Discussion and Analysis.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the financial statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company’s internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company’s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audits and significant audit findings, including any significant deficiencies in internal control that we identify during our audits.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

The engagement partner on the audit resulting in this independent auditor's report is Erkin Atakhanov.

PKF Antares
Professional Corporation
Chartered Professional Accountants
Licensed Public Accountants

Calgary, Alberta
October 10, 2024

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Magnetic North Acquisition Corp.
Statements of Financial Position
(Expressed in Canadian Dollars)

	As at December 31 2023	As at December 31 2022 Restated (See note 2)	As at January 1 2022 Restated (See note 2)
ASSETS			
Current Assets			
Cash and cash equivalents	**$ 6,976**	$ 13,571	$ 38
Restricted cash (note 8)	**13,226,000**	-	-
Short-term investments (note 3)	**27,400**	27,400	27,400
Trade and other receivables	**4,885**	29,891	17,977
Due from related parties (note 17)	**160,901**	-	-
Advances to investees (note 4)	**-**	167,437	601,451
Prepaids and other current assets (note 8)	**263,193**	1,399	24,595
Total Current Assets	**$ 13,689,355**	$ 239,698	$ 671,461
Non-current assets			
Investments - fair value through profit or loss (note 5)	**-**	-	4,259,265
Property, plant and equipment	**3**	3	2,895
Mineral claims	**1**	1	1
Exploration and evaluation assets	**1**	1	1
Other assets (note 6)	**330,724**	314,413	308,668
Total assets	**$ 14,020,084**	$ 554,116	$ 5,242,291
LIABILITIES AND SHAREHOLDERS' EQUITY			
Current Liabilities			
Accounts payable and accrued liabilities (note 7)	**$ 1,001,708**	$ 1,315,294	$ 924,023
Short term loans payable (note 8)	**13,574,230**	176,984	176,984
Advances from investees (note 4)	**651,813**	-	-
Total Current Liabilities	**$ 15,227,751**	$ 1,492,278	$ 1,101,007
Non-current liabilities			
Asset retirement obligation (note 9)	**659,892**	194,936	182,576
Financial liability - Series A preferred shares (notes 2 and 10)	**-**	-	-
Total liabilities	**$ 15,887,643**	$ 1,687,214	$ 1,283,583
Shareholders' equity			
Common shares (note 11)	**29,083,903**	29,083,903	29,083,903
Warrants (note 12)	**1,645,494**	1,059,746	882,771
Series A preferred shares (notes 2 and 10)	**16,467,597**	16,467,597	16,310,597
Contributed surplus	**3,644,570**	3,557,451	3,284,907
Accumulated deficit	**(52,709,123)**	(51,301,795)	(45,603,470)
Total shareholders' equity	**(1,867,559)**	(1,133,098)	3,958,708
Total liabilities and shareholders' equity	**$ 14,020,084**	$ 554,116	$ 5,242,291

Nature of operations and going concern (note 1)
Subsequent events (note 22)

Approved on behalf of the Board of Directors:

"Ian Wild", Director   "Andrew Osis ", Director

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

Magnetic North Acquisition Corp.

Statements of Loss and Comprehensive Loss
(Expressed in Canadian dollars)

		Year Ended December 31, 2023		2022 Restated (See note 2)
Revenue				
Advisory fees (note 18)	**$**	**880,000**	$	-
Fair value adjustment of investments (note 5)		**-**		(4,259,265)
		880,000		(4,259,265)
Expenses				
Exploration and evaluation expenses (note 9)		**496,893**		26,065
General and administrative (note 14)		**1,180,093**		1,071,195
Share-based compensation (note 13)		**87,119**		272,544
Depreciation		**-**		2,892
Total Expenses		**1,764,105**		1,372,696
Loss before other items		**(884,105)**		(5,631,961)
Other Items				
Accretion		**(760)**		(760)
Finance income/(cost), net		**(477,413)**		5,773
Preferred share-based transaction costs		**-**		-
Expected credit loss (note 4)		**(45,050)**		(71,377)
Net and comprehensive loss for the year	**$**	**(1,407,328)**	$	(5,698,325)
Net and comprehensive loss per share - Basic and Diluted (note 15)	**$**	**(0.02)**	$	(0.10)
Weighted average number of common shares outstanding - Basic and Diluted (note 15)		**59,097,178**		59,097,178

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

Magnetic North Acquisition Corp.
Statements of Cash Flows
(Expressed in Canadian Dollars)

	Year Ended December 31, 2023	2022 Restated (See note 2)
Operating activities		
Net loss for the year	**$ (1,407,328)**	$ (5,698,325)
Adjustments for:		
Depreciation	**-**	2,892
Change in asset retirement obligation estimate	**464,196**	11,600
Accretion	**760**	760
Expected credit loss (note 5)	**45,050**	71,377
Share based compensation	**87,119**	272,544
Fair value adjustment of investments	**-**	4,259,265
Warrant issue expense	**310,911**	-
Finance income on other assets	**(16,311)**	-
Interest on short term loan	**181,051**	-
Changes in non-cash working capital items:		
Trade and other receivables	**25,006**	(11,914)
Prepaid expenses and other current assets	**(261,794)**	17,451
Due from related parties	**(160,901)**	-
Accounts payable and accrued liabilities	**(313,586)**	379,219
Net cash used in operations	**(1,045,827)**	(695,131)
Net cash provided by (used in) investing activities	**-**	-
Financing Activities		
Advances from investees (note 4)	**819,250**	362,637
Proceeds from private placement	**-**	360,031
Share issue costs	**-**	(14,004)
Receipt of restricted cash from short tern bank loan (note 8)	**13,195,982**	-
Short term shareholder loan (note 8)	**250,000**	-
Net cash provided by financing activities	**14,265,232**	708,664
Net change in cash	**13,219,405**	13,533
Cash, beginning of year	**13,571**	38
Cash, end of year	**$13,232,976**	$ 13,571
Cash is represented by:		
Cash and cash equivalents	**$ 6,976**	$ 13,571
Restricted cash	**13,226,000**	-
	$13,232,976	$ 13,571
Supplemental information		
Interest received	**$ 16,311**	$ 5,773

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

Magnetic North Acquisition Corp.
Statements of Changes in Shareholders' Deficiency
(Expressed in Canadian Dollars)

	Issued common shares		Issued preferred shares			Contributed	Accumulated	Shareholders'
	Number (#)	Amount ($)	Number (#)	Amount ($)	Warrants	Surplus	Deficit	Equity (Deficiency)
January 1, 2022 **as previously presented**	59,097,187	$ 29,083,903	1,712,927	-	$ 894,266	$ 3,284,907	$ (46,349,086)	$ (13,086,010)
Effect of restatement (note 2)	-	-	-	16,310,597	(11,495)	-	745,616	17,044,718
Balance, January 1, 2022 (Restated)	59,097,187	29,083,903	1,712,927	16,310,597	882,771	3,284,907	(45,603,470)	3,958,708
Preferred shares issued	-	-	37,898	157,000	-	-	-	157,000
Warrants issued	-	-	-	-	176,975	-	-	176,975
Shared based compensation	-	-	-	-	-	272,544	-	272,544
Net and comprehensive loss for the year	-	-	-	-	-	-	(5,698,325)	(5,698,325)
Balance, December 31, 2022 (Restated)	59,097,187	29,083,903	1,750,825	16,467,597	1,059,746	3,557,451	(51,301,795)	(1,133,098)
Shared based compensation	-	-	-	-	-	87,119	-	87,119
Warrant issuance costs	-	-	-	-	585,748	-	-	585,748
Net and comprehensive loss for the year	-	-	-	-	-	-	(1,407,328)	(1,407,328)
Balance, December 31, 2023	**59,097,187**	**$ 29,083,903**	**1,750,825**	**$ 16,467,597**	**$ 1,645,494**	**$ 3,644,570**	**$ (52,709,123)**	**$ (1,867,559)**

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

1. Nature of operations and going concern

Prior to October 22, 2019, Magnetic North Acquisition Corp. (the "Company" or "Magnetic North") (formerly Black Bull Resources Inc.) was in the business of mining, processing and marketing quartz from its White Rock claim in Nova Scotia, Canada. The Company also investigated the commercialization of its kaolin resource.

On October 22, 2019, the Company completed an asset purchase transaction with a group of investment and business professionals to effect an arm's length "Change of Business" (as defined in Policy 5.2 of the TSX Venture Exchange ("TSXV")) transaction (the "Transaction") within the meaning of such terms in the policies of the TSXV. With the completion of the Transaction, the Company changed its primary business to merchant banking and changed its name to Magnetic North Acquisition Corp. Magnetic North is an investment and merchant banking company focused on creating shareholder value by providing strategic and financial advice and services to companies in the clean power technology, consumer products, manufacturing and information technology sectors.

The Company's common shares and Series A preferred shares trade on the TSXV under the symbol "MNC" and "MNC.PR.A", respectively. The Company was incorporated under the Business Corporations Act (Alberta) on July 18, 1997. On June 12, 2008, the Company continued under the Canada Business Corporations Act. The Company's registered and head office is at 1000, 250 2nd Street SW, Calgary, Alberta.

These financial statements of the Company were reviewed, approved and authorized for issue by the Board of Directors on October 10, 2024.

These financial statements have been prepared on a going concern basis, which contemplates the realization of assets and the payment of liabilities in the ordinary course of business. Accordingly, these financial statements do not give effect to the adjustments that would be necessary should the Company be unable to continue as a going concern and therefore be required to realize its assets and meet its liabilities and commitments in other than the normal course of business and at amounts different from those in these financial statements.

The Company continues to incur operating losses. The Company has minimal revenue-generating operating activities and has a significant accumulated deficit. The Company has incurred losses in prior periods, with a current net and comprehensive loss of $1,407,328 during the year ended December 31, 2023 (year ended December 31, 2022 – a Restated net and comprehensive loss of $5,698,325) and has an accumulated deficit of $52,709,123 as at December 31, 2023 (December 31, 2022 – Restated to $51,301,795). In addition, the Company had a working capital deficiency of $1,538,396 as at December 31, 2023 (December 31, 2022 – a Restated working capital deficiency of $1,252,580). Such material uncertainties cast significant doubt as to the ability of the Company to satisfy its obligations as they come due and, accordingly, the appropriateness of the use of accounting principles applicable to a going concern.

The Company's continued existence is dependent upon the success of its new business focus as an investment company. However, there can be no assurances that the steps management have taken will be successful. Management's opinion is that the Company will balance its current cash resources against new opportunities and additional financings, including support from its directors. Management is actively working on obtaining additional funds from investors, and from monetizing its current investments.

If the going concern assumption were not appropriate for these financial statements, adjustments might be necessary to the carrying value of assets and liabilities, reported revenues and expenses and the statement of financial position classifications used.

2. Basis of presentation

Statement of compliance
The Company applies International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IFRS Accounting Standards"

Restatement

The Company has restated its financial statements for 2022 for the following matters:

In 2023, the Company revisited the accounting treatment and classification of its Series A preferred shares and determined that its Series A preferred shares do not meet the definition of a financial liability, hence need to be classified as equity.

There are 3 key terms that are relevant on the determination of classification:
1. Redemption option - at the discretion of MNAC's Board of Directors.
2. Dividend distribution - at the discretion of MNAC's Board of Directors.
3. Entitlement - Distribution of net investment gain upon future events, non-discretionary.

Each of these terms were initially analyzed in the aggregate, rather than individually as required under existing IFRS pronouncements.

Based on the revised analysis undertaken, the preferred shares are considered a compound instrument, consisting of both an equity component and a liability component. However, the liability component is initially recognized at nil value due to its nature as a contingent obligation, which has an indeterminable payment probability and an amount that cannot be reliably measured. Therefore, the entire amount of the proceeds should be allocated to the equity component.
The effect of this adjustment on the statement of financial position as at December 31, 2022 is a decrease in financial liability-Series A preferred shares within non-current liabilities amounting to $ 17,404,749 and an increase in Series A preferred shares within shareholders' equity.

The Company also issued preferred units in previous years, each consisting of one preferred share and one warrant to purchase a preferred share. Previously, the Company allocated the cash proceeds only to its preferred shares and the fair value of warrants was included as Preferred share-based transaction costs in the Statement of Loss and Comprehensive Loss. Transaction costs related to the issuance of preferred units were also not allocated between warrants and preferred shares.

The Company is restating its financial statements to allocate the cash proceeds from these issuances of units to both the warrants and the preferred shares. The fair value of warrants was determined using the Black - Scholes model in previous years. The same value was used to allocate the consideration between the warrants and the residual value was allocated to preferred shares. Transaction costs were also allocated to warrants and preferred shares based on their fair value. This resulted in a cumulative decrease in financial liability-Series A preferred shares and Warrants by $937,152 and $28,326 as at December 31, 2022. The general and administrative expenses for the year ended decreased by $12,052 and preferred share-based transaction cost reduced by $207,810.

During the year, the Company also identified certain general and administrative expenses incurred by the Company and under accrued in the books of account. These expenses related to the 2022 financial year. Accordingly, the general and administrative expenses for the year ended December 31, 2022, have been restated to include these expenses amounting to $67,402 along with a corresponding adjustment to current liabilities.

As at December 31, 2022 the accumulated deficit as a result of above adjustments decreased by $898,076.

These adjustments also had an effect on the Company's 2022 audited statement of Cash Flows and statement of Changes in Shareholders' Deficit.

Effect of Restatement on January 1, 2022:
The opening Statement of Financial Position for 2022 has also been restated for the reclassification of Series A preferred shares and allocation of preferred share-based transaction cost to Series A preferred shares and warrants. This resulted in a decrease in non-current liability for Series A preferred shares of $17,044,718, an increase of $16,310,597 in Series A preferred shares within Shareholder's Equity, a decrease in Warrants of $11,495 and a decrease in Accumulated Deficit of $745,616.

(Expressed in Canadian Dollars)

Effect of Restatement on:

i) the statement of financial position as at December 31, 2022:

	As previously reported	**Adjustment**	**Restated**
ASSETS			
Current Assets	239,698	-	**239,698**
Non-current assets	314,418	-	**314,418**
Total assets	554,116	-	**554,116**
LIABILITIES AND SHAREHOLDERS' EQUITY			
Current Liabilities	1,424,876	67,402	**1,492,278**
Non-current liabilities			
Asset retirement obligation	194,936	-	**194,936**
Financial liability - Series A preferred shares	17,404,749	(17,404,749)	**-**
Total liabilities	19,024,561	(17,337,347)	**1,687,214**
Shareholders' equity			
Common shares	29,083,903	-	**29,083,903**
Warrants	1,088,072	(28,326)	**1,059,746**
Series A preferred shares	-	16,467,597	**16,467,597**
Contributed surplus	3,557,451	-	**3,557,451**
Accumulated deficit	(52,199,871)	898,076	**(51,301,795)**
Total shareholders' equity	(18,470,445)	17,337,347	**(1,133,098)**
Total liabilities and shareholders' equity	554,116	- -	**554,116**

ii) the statement of cash flows for the year ended December 31, 2022:

	As previously reported	**Adjustment**	**Restated**
Operating activities			
Net loss for the year	$ (5,850,785)	$ 152,460	**$ (5,698,325)**
Adjustments for:			
Preferred share based transaction costs	207,810	(207,810)	**-**
Accounts payable and accrued liabilities	323,869	55,350	**379,219**
All other items	4,623,975	**-**	**4,623,975**
Net cash used in operations	(695,131)	-	**(695,131)**
Net cash flows provided by (used in) investing activities	362,637	-	**362,637**
Net cash flows provided by financing activities	346,027	-	**346,027**
Net change in cash and cash equivalents	13,533	-	**13,533**
Cash and cash equivalents, beginning of year	38	-	**38**
Cash and cash equivalents, end of year	$ 13,571	$ -	**$ 13,571**

iii) the statement of loss and comprehensive loss for the year ended December 31, 2022:

		As previously reported	Adjustment	Restated
Revenue				
	Fair value adjustment of investments	(4,259,265)	-	**(4,259,265)**
Expenses				
	Exploration and evaluation expenses	26,065	-	**26,065**
	General and administrative	1,015,845	55,350	**1,071,195**
	Share-based compensation	272,544	-	**272,544**
	Depreciation	2,892	-	**2,892**
Total Expenses		1,317,346	55,350	**1,372,696**
Loss before other items		(5,576,611)	(55,350)	**(5,631,961)**
Other Items				
	Accretion	(760)	-	**(760)**
	Finance income/(cost), net	5,773	-	**5,773**
	Preferred share-based transaction costs	(207,810)	207,810	**-**
	Expected credit loss	(71,377)	-	**(71,377)**
Net and comprehensive income (loss) for the year		(5,850,785)	152,460	**(5,698,325)**
Net and comprehensive income (loss) per share				
	- Basic and Diluted	$ (0.10)	-	**$ (0.10)**
Weighted average number of common shares outstanding - Basic and Diluted		59,097,178	59,097,178	**59,097,178**

Basis of measurement and presentation

These financial statements have been prepared on a historical cost basis, with the exception of financial instruments classified as fair value through profit or loss. In addition, these financial statements have been prepared using the accrual basis of accounting except for cash flow information. These financial statements are presented in Canadian dollars, which is also the Company's functional currency.

Material accounting judgments, estimates and new accounting policies

The preparation of these financial statements in accordance with IFRS requires management to make judgments and estimates that could materially affect the amounts recognized in the financial statements. By their nature, judgments and estimates may change in light of new facts and circumstances in the internal and external environment. The following judgments and estimates are those deemed by management to be material to the Company's financial statements.

Judgments

Going Concern

At each reporting period, management exercises judgment in assessing the Company's ability to continue as a going concern by reviewing the Company's performance, resources and future obligations. See also note 1 above.

Fair value of financial instruments

For Level 3 investments where quoted prices are not readily available, the Company values its investments using recognized valuation models. Some or all of the significant inputs into these models may not be observable in the market and are derived from market prices or rates or are estimated based on assumptions. Valuation models that employ significant unobservable inputs requires a higher degree of management judgment and estimation in the determination of fair value.

Impairment

Significant judgment is required to assess when impairment indicators exist, and impairment testing is required. The assessment of impairment indicators is based on management's judgment of whether there are internal and external factors that would indicate that a cash generating unit ("CGU") and specifically the non-financial assets within the CGU, are impaired. The determination of a CGU is also based on management's judgment and is an assessment of the smallest group of assets that generate cash inflows independently of other assets.

Investment Entity Status

The following are the criteria within IFRS 10 Consolidated Financial Statements, which the Company used to evaluate and determine that it meets the definition of an Investment Entity:

- Obtain funds from one or more investors for the purpose of providing those investor(s) with investment management services;
- Commits to its investor(s) that its business purpose is to invest funds solely for returns from capital appreciation, investment income, or both; and
- Measures and evaluates the performance of substantially all its investments on a fair value basis.

The Company has evaluated the above criteria and determined that it meets the definition of an Investment Entity. As a result of meeting the definition of an Investment Entity, subsidiaries which otherwise would have been consolidated are carried at fair value through profit or loss ("FVTPL").

Management exercises judgment in applying criteria in IFRS 10 Consolidated Financial Statements, which determines the Company's status as an investment entity.

Income Taxes

The Company uses the asset and liability method of accounting for income taxes. Under this method, deferred income tax assets and liabilities arise from temporary differences between the tax bases of assets and liabilities and their carrying amounts reported in the financial statements. Deferred income tax assets also reflect the benefit of unutilized tax losses that can be carried forward to reduce income taxes in future years. Such method requires the exercise of significant judgment in determining whether or not the Company's deferred tax assets are probable of recovery from taxable income of future years and therefore can be recognized in the financial statements. Also, estimates are required to determine the expected timing upon which tax assets will be realized and upon which tax liabilities will be settled.

Critical Accounting Estimates

Asset Retirement Obligation

The Company's estimates of reclamation costs could change as a result of changes in regulatory requirements, discount rates and assumptions regarding the amount and timing of the future expenditures. These costs are estimated based on the Company's interpretation of current regulatory requirements and constructive obligations and are measured at fair value. Fair value is determined based on the net present value of estimated future cash expenditures for the settlement of restoration liabilities that may occur upon decommissioning of the property.

Impairment of Non-Financial Assets

In determining the estimated recoverable amount of a CGU subject to impairment testing, the Company measures the estimated recoverable amount of a CGU as the higher of fair value less costs of disposal and its value in use. Estimated recoverable amounts of a CGU are evaluated and calculated using various data and assumptions. The data and assumptions used in the estimates of recoverable amount are assessed for reasonableness based on the information available at the time the estimate of recoverable amount is prepared. The estimate of recoverable amount for a CGU involves certain significant assumptions including the forecasted revenue growth rates, forecasted earnings before finance costs, taxes, depreciation and amortization and the discount rate.

Fair value of financial instruments

The Company measures its financial instruments at fair value or amortized cost. Fair value is determined on the basis of market prices from independent sources, if available. If there is no available market price, then fair value is determined by using valuation models. The inputs to these models, such as expected volatility and liquidity discounts, are derived from observable market data where possible, but where observable date is not available, judgment is required to establish fair values. There is inherent uncertainty and imprecision in estimating the factors that can affect fair value, and in estimating fair values generally, when observable data is not available. Changes in assumptions and inputs used in valuing financial instruments could affect the reported fair values.

Share-Based Compensation

The Company uses an option pricing model to determine the fair value of equity-settled share-based compensation including stock options and warrants. Inputs to the model are subject to various estimates relating to volatility, interest rates, dividend yields and expected life of the units issued. Fair value inputs are subject to market factors as well as internal estimates. The Company considers historic trends together with any new and comparative information to determine the best estimate of fair value at the date of grant.

Recent Accounting Pronouncements

The Company has reviewed new and amended accounting pronouncements that have been issued and/or are not yet effective:

IAS 1 – Classification of liabilities : The amendments clarify how to classify debt and other liabilities as current or non-current. The amendments to IAS 1 apply to annual reporting periods beginning on or after January 1, 2024. The Company is currently assessing the impact of this amendment.

Material accounting policies

The following is a summary of the Material accounting policies used in the preparation of these financial statements.

(i) Cash and cash equivalents

Cash and cash equivalents include amounts held on deposit with financial institutions and funds held in trust.

(ii) Restricted cash

Restricted cash is not readily accessible for use in operations and are reported separately from cash and cash Equivalents on the Statement of Financial Position. Restricted cash consist of cash obtained through a short term loan.

(iii) Property, plant and equipment

Property, plant and equipment are recorded at cost, including direct costs, attributable indirect costs and carrying costs, less accumulated depreciation and accumulated impairment losses. Expenditures for repairs and maintenance are expensed as incurred, while betterments are capitalized.

Depreciation is charged to operations using either the declining-balance (“DB”) or straight-line (“SL”) method over the estimated useful lives of the assets. The estimated depreciation rates and useful lives applicable to each category of property, plant and equipment are as follows:

Treatment buildings	10% DB
Water treatment equipment	20% DB
Site improvements	20% SL
Computer hardware equipment	3 years SL

When assets are disposed of or retired, the cost and accumulated depreciation is removed from the respective accounts and any resulting loss is reflected in operating expenses.

(iv) Mineral claims

The cost of mineral properties is capitalized until the properties are placed into production, sold or abandoned. These costs are amortized on a unit-of-production basis following the commencement of production or written-off if the properties are sold or abandoned. If the properties are impaired in value, an appropriate charge will be made at the time.

Costs include the cash consideration and the fair market value of shares and options issued on the acquisition of mineral properties. Properties acquired under option agreements or joint ventures, whereby payments are made at the sole discretion of the Company, are recorded in the accounts at such time as the payments are made.

Once the technical feasibility and commercial viability of extracting the mineral resource has been determined the property is to be under development and is classified as development properties. The carrying value of capitalized mineral claims is transferred to development properties after being tested for impairment.

The recorded carrying value of mineral claim costs represents costs incurred, net of impairments, and are not intended to reflect present or future values. The ultimate recovery of such capitalized costs is dependent upon the discovery and development of economic reserves or the sale of mineral rights.

On an ongoing basis, the Company evaluates each mineral property based on results obtained to date to determine the nature of exploration, other assessment and development work, if any, that is warranted in the future and the potential for recovery of the capitalized costs. If there is little prospect of future work on a property being carried out within a three-year period from completion of previous activities, the deferred costs related to that property are written down to the estimated amount recoverable unless there is persuasive evidence that an impairment allowance is not required.

(v) Exploration and evaluation expenditures

Exploration costs are capitalized until the properties are placed into production, sold or abandoned. These costs are amortized on a unit-of-production basis following the commencement of production or written-off if the properties are sold or abandoned. If the properties are impaired in value, an appropriate charge will be made at the time.

Once the technical feasibility and commercial viability of extracting the mineral resource has been determined the property is to be under development and is classified as development properties. The carrying value of exploration and evaluation assets is transferred to development properties after being tested for impairment.

The carrying amount of exploration costs represents costs incurred, net of impairments, and are not intended to reflect present or future values. The ultimate recovery of such capitalized costs is dependent upon the discovery and development of economic reserves or sale of mineral rights.

On an ongoing basis, the Company evaluates each mineral property based on results obtained to date to determine the nature of exploration, other assessment and development work, if any, that is warranted in the future and the potential for recovery of the capitalized costs. If there is little prospect of future work on a property being carried out within a three-year period from completion of previous activities, the deferred costs related to that property are written down to the estimated amount recoverable unless there is persuasive evidence that an impairment allowance is not required.

(vi) Impairment of non-financial assets

The carrying amounts of the Company's non-financial assets including property, plant and equipment, mineral claims, and exploration and evaluation assets are reviewed at each reporting date to determine whether impairment indicators exist, and impairment testing is required for a CGU. If such an indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss.

The recoverable amount of a CGU is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the Company uses a discounted cash flow model with significant assumptions including the forecasted revenue growth rates, forecasted earnings before finance cost, taxes, depreciation and amortization, and using a pre- tax discount rate that reflects the current market assessments of the time value of money and the risks specific to the CGU. In assessing fair value less costs to sell, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate approach to valuation is used, which may include internal valuation estimates.

Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset or non-financial assets within the CGU are considered impaired and their carrying amount is reduced to their recoverable amount. Impairment losses are recognized in profit or loss. Impairment losses recognized in respect of CGUs are allocated first to reduce the carrying amount of goodwill allocated to the CGUs, and then to reduce the carrying amounts of the other assets in the CGU on a pro rata basis.

In respect of other assets, impairment losses recognized in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the assumptions or data used to determine the estimated recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation and amortization, if no impairment loss had been recognized.

(vii) Asset retirement obligation
The Company recognizes liabilities for statutory, contractual, constructive or legal obligations associated with the retirement of long-term assets, when those obligations result from the acquisition, construction, development or normal operation of assets. The net present value of future restoration cost estimates arising from the decommissioning of plant and other site preparation work is capitalized to exploration and evaluation assets along with a corresponding increase in the restoration provision in the period incurred. Discount rates using pre-tax rates that reflect the time value of money and risks specific to the liability, are used to calculate the net present value. The restoration asset will be depreciated on the same basis as other mining assets.
Changes in the net present value, excluding changes in the amount and timing of the Company's estimates of reclamation costs, are charged to profit and loss for the period.

The net present value of restoration costs arising from subsequent site damage that is incurred on an ongoing basis during production are charged to profit or loss in the period incurred.

(viii) Provisions
Provisions and liabilities for legal and other contingent matters are recognized in the period when it becomes probable a future cash outflow resulting from past operations or events will occur and the amount of the cash outflow can be reasonably estimated. The timing of recognition and measurement of the provision requires the application of judgment to existing facts and circumstances, which can be subject to change, and the carrying amounts of provisions and liabilities are reviewed regularly and adjusted accordingly. The Company is required to both determine whether a loss is probable based on judgment and interpretation of laws and regulations and determine that the loss can be reasonably estimated. When a loss is recognized, it is charged to the statement of loss and comprehensive loss.

(ix) Financial Instruments
Financial instruments are required to be classified into one of the following categories: amortized cost, fair value through other comprehensive income ("FVOCI") or fair value through profit or loss ("FVTPL").

(a) Financial assets
Initial recognition and measurement
The Company determines the classification of financial assets at the time of initial recognition based on the Company's business model and the contractual terms of the cash flows. All financial assets are recognized initially at fair value plus, in the case of financial assets not at FVTPL, directly attributable transaction costs on the trade date at which the Company becomes a party to the contractual provisions of the instrument. Transaction costs relating to financial assets measured at FVTPL are expensed as incurred in the statement of loss and comprehensive loss.

Subsequent measurement – financial assets at amortized cost
A financial asset is measured at amortized cost if it is held within a business model whose objective is to hold assets and collect contractual cash flows and these cash flows are solely payments of principal and interest.

After initial recognition, financial assets measured at amortized cost are subsequently measured at the end of each reporting period at amortized cost using the Effective Interest Rate ("EIR") method. Amortized cost is calculated by taking into account any discount or premium on acquisition and any fees or costs that are an integral part of the EIR. The EIR amortization is included in the statement of loss and comprehensive loss. The Company classifies its trade and other receivables as measured at amortized cost.

Subsequent measurement – financial assets at FVTPL
Financial assets measured at FVTPL are carried at fair value in the statement of financial position with changes in fair value recognized in the statement of loss and comprehensive loss. The Company classifies its investments as measured at FVTPL. Gains and losses arising from changes in the fair value of investments are presented in the statement of loss and comprehensive loss within net change in unrealized gains or loss on investments in the period in which they arise.

Subsequent measurement – financial assets at FVOCI
Financial assets measured at FVOCI are non-derivative financial assets that are not held for trading and the Company has made an irrevocable election at the time of initial recognition to measure the assets at FVOCI.
After initial measurement, investments measured at FVOCI are subsequently measured at fair value with unrealized gains or losses recognized in other comprehensive income or loss in the statements of comprehensive loss. When the investment is sold, the cumulative gain or loss remains in accumulated other comprehensive income or loss and is not reclassified to profit or loss. The Company does not measure any financial assets at FVOCI.

Derecognition
A financial asset is derecognized when the contractual rights to the cash flows from the asset expire, or the Company no longer retains substantially all the risks and rewards of ownership.

Impairment of financial assets measured at amortized cost

The Company's financial assets subject to impairment are trade and other receivables. The Company has elected to apply the simplified approach to impairment for amounts receivable as permitted by IFRS 9, which requires the expected lifetime loss to be recognized at the time of initial recognition of the receivable. To measure estimated credit losses, these amounts receivable have been grouped based on shared credit risk characteristics, including the number of days past due. An impairment loss is reversed in subsequent periods if the amount of the expected loss decreases and the decrease can be objectively related to an event occurring after the initial impairment was recognized.

(b) Financial liabilities
Initial recognition and measurement
Financial liabilities are measured at amortized cost, unless they are required to be measured at FVTPL as is the case for held for trading or derivative instruments, or the Company has opted to measure the financial liability at FVTPL. All financial liabilities are recognized initially at fair value.

Subsequent measurement – financial liabilities at amortized cost

After initial recognition, financial liabilities measured at amortized cost are subsequently measured at the end of each reporting period at amortized cost using the EIR method. Amortized cost is calculated by taking into account any discount or premium on acquisition and any fees or costs that are an integral part of the EIR. The EIR amortization is included in the statement of loss and comprehensive loss. The Company classifies its accounts payable and accrued liabilities, promissory note payable, demand loans and financial liability - Series A preferred shares as measured at amortized cost.

Derecognition
A financial liability is derecognized when the obligation under the liability is discharged, cancelled or expired with any associated gain or loss recognized in the statement of loss and comprehensive loss.

Private company investments
At the end of each reporting period, the fair value of an investment may be adjusted, depending upon circumstances, using one or more of the valuation indicators. These are included in Level 3 of the fair value hierarchy.
The determination of fair value of the Company's privately held investments at other than initial cost is subject to certain limitations. Financial information for private companies in which the Company has investments may not be available and, even if available, that information may be limited and/or unreliable.
The use of the various valuation techniques, including comparative recent financing and other market-based information, may involve uncertainties and determinations based on management's judgment and any value estimated from these techniques may not be realized or realizable.

Company-specific information is considered when determining fair value whether the fair value of a privately held investment should be adjusted upward or downward at the end of each reporting period. In addition to company- specific information, the Company will also consider trends in general market conditions and the share performance of comparable publicly traded companies when valuing privately held investments.

Adjustments to the fair value of a privately-held investment will be based upon management's judgment and any value estimated may not be realized or realizable. The resulting values for non-publicly traded investments may differ from values that would be realized if a ready market existed.

(x) Share-based compensation
Where equity-settled share options are awarded to employees, directors and officers, the fair value of the options at the date of grant is charged to the statement of loss and comprehensive loss over the vesting period. Fair value is calculated using the Black-Scholes model.

Where equity instruments are granted to non-employees, they are recorded at the fair value of the goods or services

received in the statement of loss and comprehensive loss unless they are related to the issuance of shares. Amounts related to the issuance of shares are recorded as a reduction of share capital. When the value of goods or services received in exchange for the share-based payment cannot be reliably estimated, the fair value is measured by use of a valuation model.

(xi) Share capital
The Company records proceeds from share issuances net of issue costs and any tax effects in share capital. Shares issued for consideration other than cash are valued based on their market value at the date of the share issuance.

(xii) Income recognition
The Company may generate revenue from advisory and consulting services income which is recognized over the period in which the services are provided. Revenue is measured at the fair value of the consideration received or receivable. Purchases and sales of investments are recognized on the settlement date. Realized gains and losses on disposals of investments and unrealized gains and losses in the value of investments are reflected in the statement of loss and comprehensive loss.

Upon disposal of an investment, previously recognized unrealized gains or losses are reversed to recognize the full realized gain or loss in the period of disposition. All transaction costs associated with the acquisition and disposition of investments are expensed to the statement of loss and comprehensive loss as incurred.
Dividend income is recorded on the ex-dividend date and when the right to receive the dividend has been established.

(xiii) Income taxes
Income tax on the profit or loss for the period presented comprises current and deferred tax. Income tax is recognized in profit or loss except to the extent that it relates to items recognized directly into equity, in which case it is recognized in equity.

Current income tax assets and liabilities for the current period are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date, in the country where the Company operates and generates taxable income.

Deferred income tax is provided using the liability method on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. The carrying amount of deferred income tax assets is reviewed at the end of each reporting period and recognized only to the extent that it is probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilized. Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realized, or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. Deferred income tax assets and deferred income tax liabilities are offset if a legally enforceable right exists and the deferred income taxes relate to the same taxable entity and the same taxation authority.

(Expressed in Canadian Dollars)

(xiv) Income or Loss per share

Income or loss per share is calculated using the weighted-average number of common shares outstanding. The weighted average is calculated based on the number of days outstanding during the reporting periods. Diluted income or loss per share is determined as net loss divided by the weighted average number of diluted common shares outstanding for the period. Diluted common shares reflect the potential dilutive effect of exercising stock options or warrants based on the treasury stock method.

3. Short-term investments

The Company has provided an assignment of cash as security on the irrevocable standby letter of credit to the Province of Nova Scotia and for corporate credit card liabilities. As at December 31, 2023, $27,400 (December 31, 2022 - $27,400) was held in guaranteed investment certificates as security.

4. Advances to / from investees

As per the terms of the Unanimous Shareholders Agreement ("USA") discussed in note 5, the Company is required to contribute capital to CXTL Recycling Canada Corp. (“CXTL”) as part of its 50% ownership. During the year ended December 31, 2023, the Company provided capital to CXTL to cover its operating expenses. These advances have initially been categorized as Advances to investee, rather than equity. The Advance amount outstanding was reduced by repayments from CXTL during 2022 and 2023. As at December 31, 2023, the amount advanced to CXTL was repaid and CXTL provided a net advance of $651,813 to the Company (December 31, 2022 - a net advance to CXTL from the Company of $167,437).

Previcare, Inc.(“Previcare”) also received advances during the fiscal year. As at December 31, 2023, the gross amount before ECL advanced to Previcare was $116,427 (December 31, 2022 - $71,377). During the 2023 fiscal year an additional ECL of $45,050 (December 31, 2022 - $ 71,377) was recorded to bring the net amount advanced to Previcare to $nil (December 31, 2022 - $nil).

5. Investments

The following chart lists the material investments carried at FVTPL as at December 31, 2023:

Investments	December 31, 2023 Cost	December 31, 2023 Fair Value	December 31, 2022 Cost	December 31, 2022 Fair Value
CXTL Recycling (Canada) Corp.				
(115,592 common shares - 50%)	9,031,396	-	9,031,396	-
Private company investments - FVTPL	$ 9,031,396	$ -	$ 9,031,396	$ -

The Company also held shares in the following companies for which fair value was adjusted to nil at initial recognition: Previcare, Inc. 1,600,000 common shares representing approximately 32% of the common shares issued and outstanding, Ignite Alliance Corp. 50,000 shares representing less than 1% of the common shares, Power Symmetry 400,000 shares representing 40% of the common shares, GrowthCell Global 335,000 common shares representing less than 1.5% of the common shares, and a 100% owned company, Bluenose Quartz Ltd (“Other investments”).

During the fall of 2019, the Company and Cirque Innovations Ltd. (“Cirque”) agreed in principle to jointly work together on Cirque’s technology on a 50/50 basis. In April 2020, the Company entered into an exclusive sale and usage agreement with Cirque Innovations Ltd. (“Cirque”) for the exclusive world-wide right for CXTL Recycling (Canada) Corp. to use in their recycling operations. Magnetic North agreed to issue Cirque shares representing a 50% equity ownership in CXTL concurrently with such parties entering into a unanimous shareholder agreement (“USA”) to provide for their rights in relation to CXTL. Cirque will contribute the technology and staff, and Magnetic North will contribute capital and management expertise as needed. Magnetic North and Cirque executed the USA, effective December 31, 2020, as per the terms of the sale and usage agreement to provide each party with a 50% equity ownership into CXTL.

The Company's management review and approve the valuation results of all investments in the portfolio based on all observable and unobservable inputs. The Company will also engage an independent valuation firm to perform an independent valuation in situations where it requires additional expertise. The valuation results are reviewed with the audit committee as part of its quarterly approval of the Company's financial statements.

As at December 31, 2023, all of the Company's investments are unlisted equity instruments and are categorized as Level 3 financial instruments. These investments are valued at cost for a limited period after the date of acquisition, provided the purchase price remains representative of the fair value at the reporting date; otherwise, these investments are valued using the most appropriate valuation methodology in light of the nature, facts and circumstances of the investment. Investments in early-stage companies not generating sustainable revenue or earnings and for which there has not been any recent independent funding, which represents 100% of the Company's current portfolio, are valued using alternative methodologies. The Company considers investee company performance relative to plan, going concern risk, continued funding availability, comparable peer group valuations, exit market conditions and general sector conditions and calibrates its valuation of each investment as appropriate.

The Company may apply a further illiquidity discount to the fair value of an investment if conditions exist that could make it challenging to monetize the investment in the near term at a price indicated by the valuation models. The amount of illiquidity discount applied requires considerable judgment and is based on the facts and circumstances of each investment. The process of valuing investments for which no active market exists is inevitably based on inherent uncertainties, and the resulting values may differ significantly from the values that would have been used had a ready market existed for the investments. These differences could be material to the fair value of investments in the portfolio.

As at December 31, 2022, management determined that, in the absence of sufficient independent observable evidence and other support for the assumptions used under the income approach / discounted cash flow valuation method, the fair value of the Company's investments in CXTL and Previcare could not be readily determined. In accordance with the provisions of IFRS 9, the fair value was then assessed as $nil.

As at December 31, 2023, separate valuations were not performed as there had been no sufficiently material changes in the key assumptions used and the probability of each key assumption could still not be sufficiently determined. Management has therefore determined that, as at December 31, 2023, no change to the valuations of CXTL and Previcare of $nil is warranted (December 31, 2022 - $nil).

Other investments have been assessed to have $nil fair value as at December 31, 2023 (December 31, 2022 - $nil). Company management assessed Other investments and concluded that it is not possible to readily determine a fair Market value for these investments.

During the 2022 fiscal year, the Company disposed of one of its wholly-owned subsidiaries, 2292683 Alberta Limited through a sale to Previcare, Inc. for proceeds of approx. $275.00, representing a reimbursement of the cost of incorporating the subsidiary. This subsidiary had no assets and had not yet commenced operations.

6. Other assets

Other assets consist of funds held under the National Resources Reclamation Fund by the Province of Nova Scotia relating to the White Rock quartz mine located in Yarmouth County, Nova Scotia of $330,724 (December 31, 2022 - $314,413). The balance is considered to be a long term asset as it is linked to the Asset Retirement Obligation of the Company.

(Expressed in Canadian Dollars)

7. Accounts payable and accrued liabilities

		As at 31-Dec-23		As at 31-Dec-22
				Restated (See note 2)
Trade accounts payable		**662,184**		462,248
Accrued liabilities		**264,524**		413,512
Other payable		**75,000**		75,000
Deposits [(1)]		**-**		364,534
	$	**1,001,708**	$	1,315,294

[(1)] Deposits related to the prepayment of fees received associated with a transaction that was pending finalization of terms and conditions. The transaction was not completed and the deposit was returned.

8. Short term loans and Restricted cash

The Company received a Term Loan from a Canadian financial institution in the month of November 2023 in the amount of US$10,000,000 (CDN$ 13,334,216). The Term Loan was supported by a General Security Agreement on the Company's assets. The interest rate was US prime + 1.5%. In addition, a third party provided a Letter of Credit in the amount of CDN$ 14,000,000 as security for the Term Loan. The Maturity date of the loan was June 30, 2024. Proceeds of the loan were to be used only to support certain specific potential financial transactions. As a result, the proceeds of the loan are classified as Restricted Cash. On completion of an initial successful financial transaction supported by the proceeds of this loan, a one-time success fee of $250,000 would have been payable to the Canadian financial institution.

The Term Loan was repaid, using the Restricted Cash, in June 2024. See note 22. Subsequent Events.

The Company issued 450,000 Warrants to acquire Series A Preferred shares at an exercise price of $7.50 per share for a period of twenty-four months from the date of issuance related to receiving the Letter of Credit supporting this loan.

The estimated fair value of the total number of Warrants issued at the grant date was $571,404 using the Black- Scholes valuation model:

Exercise price per Warrant	$7.50
Risk-free interest rate	4.45%
Expected volatility	250%
Expected life	2.0 years

The estimated fair value amount was recorded as a Prepaid commitment fee under prepaids and other current assets and is being amortized over the term of the arrangement.

During the year ended December 31, 2023 $310,911 of the fair market value of the Warrants issued (year ended December 31, 2022 - $nil) was expensed. See note 12 for further details on the issue of Warrants.

The Company also received a non-interest-bearing short term loan in the amount of $250,000 in an arm's length transaction from a shareholder of the Company to be used by the Company for general corporate purposes. The Maturity date of the loan, initially June 30, 2024 has been extended to November 30, 2024. The loan was recorded at its fair value determined using the rate of interest applicable to the other short term loan received by the Company.
The Company issued 100,000 Warrants to acquire Series A Preferred shares at an exercise price of $7.50 per share for a period of twenty- four months from the date of issuance related to receiving this loan.

The 100,000 warrants were valued after determining the fair value of the loan component. The estimated fair value of the total number of Warrants issued to the shareholder at the grant date using the residual value approach was $14,344.

(Expressed in Canadian Dollars)

9. Asset retirement obligation

The Company's total asset retirement obligation is estimated based on the Company's net ownership interest in mineral leases and management's estimate of costs to abandon and reclaim these leases, as well as an estimate of the future timing of the costs to be incurred. Under the terms of the agreement with the Province of Nova Scotia, the Company is obligated to update its reclamation plan for the White Rock quartz mine every three years. The reclamation plan was last updated in November 2020 using then currently acceptable unit costs and information that reflected current site conditions and disturbed areas. The reclamation plan has now been updated to an effective date of December 31, 2023 and the revised estimated reclamation obligation has been accounted for and reflected in these financial statements.

The following table presents the reconciliation of the carrying amount of the liability associated with the reclamation of the Company's property based on the most recently completed reclamation plan:

	As at December 31, 2023	As at December 31, 2022
Opening balance	**$ 194,936**	$ 182,576
Accretion	**760**	760
Effect of change in estimates	**464,196**	11,600
	$ 659,892	$ 194,936

The effect of change in estimates of $464,196 is included in Exploration and evaluation expense in the 2023 Statement of Loss and Comprehensive Loss.

The following significant assumptions were used to estimate the asset retirement obligation:

	As at December 31, 2023	As at December 31, 2022
Undiscounted cashflows	**661,123**	182,000
Discount rate	**4.00%**	3.75%
Inflation rate	**3.90%**	6.77%
Weighted average expected timing of cashflows	**2 years**	2 years

10. Series A preferred shares

(i) Series A preferred shares issued

	Number of Preferred Shares	Amount
Balance, December 31, 2021 - restated	**1,712,927**	16,310,597
Private placement (1)	**37,898**	166,225
Share issue costs (2)	**-**	(9,225)
Balance as at December 31, 2022 - restated	**1,750,825**	16,467,597
Balance, December 31, 2023	**1,750,825**	$ 16,467,597

10. Series A preferred shares (continued)

[1] Private placement of 37,898 Units at $9.50 per Unit completed during April 2022. Each Unit consisted of one Series A preferred share and one Series A preferred share purchase warrant. Each warrant entitles the holder to purchase one additional Series A preferred share at a price of $10.00 per share during the period ending on the fifth anniversary of the closing date of the Financing. The warrants will have an acceleration provision whereby, in the event the 10 day weighted average trading price of the Series A preferred shares on the TSXV exceeds $20.00 at any time, the Company will have the right to accelerate the expiry date of the warrants to 30 days from the date of issuance of a news release of the Company announcing the accelerated exercise period.

The issue date fair value of the warrants was estimated at $176,975 using the Black-Scholes option pricing model with the following assumptions: expected dividend yield of 0%; expected volatility of 138%; risk-free interest rate of 2.74% and an expected life of 5 years.

[2] Share issue costs consist of warrants issued relating to the April 2022 private placement.

(ii) Dividends paid

As at December 31, 2023, no dividends were paid or declared in the year then ended. No dividends have been paid in fiscal 2024 to the date of these financial statements.

(iii) Terms, rights and privileges

The Series A preferred shares are non-voting, redeemable at the option of the Company any time after March 31, 2026 and, if and when declared by the Board of Directors, such dividend in such amount as may be determined by the Board of Directors at its sole discretion.

The holders of Series A preferred shares are entitled to receive 50% of any capital gains received by the Company in the event of the sale or other form of disposition of an investee company and to receive 50% of the proceeds received by the Company in respect of any dividend payment, special distribution or similar distribution to the Company by an investee company (“Disposition Entitlement”).

Upon redemption of the Series A preferred shares, the holders are entitled to:

(a) The redemption price per share, which is calculated as the gross subscription proceeds divided by the number of Series A preferred shares issued and outstanding;
(b) Any unpaid Disposition Entitlements;
(c) The Deemed Disposition Entitlement, which is calculated as 50% of the deemed gains embedded in the Company's investment portfolio, regardless of whether a liquidation event has occurred or not; and
(d) All unpaid, accrued and accumulated dividends.

(Expressed in Canadian Dollars)

11. Common share capital

a) Authorized common share capital

The authorized share capital of the Company consists of an unlimited number of common shares without par value.

b) Common shares issued

	Number of common shares	Amount
Balance, December 31, 2022	**59,097,178**	**$ 29,083,903**
Balance, December 31, 2023	**59,097,178**	**$ 29,083,903**

12. Warrants

	Number of warrants	Grant date fair value
Balance, December 31, 2021	**405,264**	**$ 882,771**
Issued (note 10(i)[(1)] and note 2 Restatement)	37,898	176,975
Balance, December 31, 2022	443,162	$ 1,059,746
Issued (note 8)	550,000	585,748
Balance, December 31, 2023	**993,162**	**$ 1,645,494**

Expiry date	Exercise price ($)	Number of warrants outstanding	Grant date fair value ($)
November 24, 2025	7.50	450,000	$ 571,404
November 24,2025	7.50	100,000	14,344
October 28, 2025	7.00	300,000	164,400
December 6, 2026	10.00	105,264	718,371
April 20, 2027	10.00	37,898	176,975
		993,162	**$ 1,645,494**

13. Stock options

The Company has an omnibus long-term incentive plan (the “Omnibus Plan”) which was approved by the Board of Directors and by its shareholders at the annual and special meeting of shareholders held on November 10, 2020, and was re-approved by its shareholders at the annual and special meeting of shareholders held on March 6, 2024. The Omnibus Plan was adopted as a means to grant options, restricted share units, deferred share units, share appreciation rights and retention awards to directors, officers, senior executives, other employees of the Company, consultants and other service providers to incentivize them to continue their services for the Company and to align their interests with those of the Company. The maximum number of shares which may be reserved for issuance under the Omnibus Plan may not exceed 10% of the issued and outstanding common and Series A preferred shares as at the time of grant. The options expire five years from the grant date and generally vest as follows: 25% immediately and 25% each at the 12, 24 and 36 months from the grant date. The aggregate number of options granted to any one individual during any 12-month period may not exceed 5% of the issued shares of the Company, or 2% in the case of consultants and investor relations representatives.

(Expressed in Canadian Dollars)

13. Stock options (continued)

a) The following table reflects the continuity of common share stock options for the periods presented:

	Number of stock options	Weighted average exercise price ($)
Balance, December 31, 2021	**3,943,927**	**0.40**
Granted	500,000	0.34
Balance, December 31, 2022	**4,443,927**	**0.40**
Granted	975,000	0.05
Forfeited	(428,927)	(0.32)
Balance, December 31, 2023	**4,990,000**	**0.32**

The grant date fair value of 975,000 options granted during the year ended December 31, 2023 has been estimated as $0.01 per option using Black-Scholes option pricing model. The Company has applied the following assumptions in determining fair value of options granted during the following periods:

	Year Ended December 31, 2023	Year Ended December 31, 2022
Weighted average exercise price per option	$0.05	$0.34
Risk-free interest rate	4.15%	1.68%
Expected volatility	182%	104%
Expected life	5.00	5.00
Forfeiture rate	N/A	N/A
Weighted average fair value per option	$0.01	$0.243

The following table reflects the common share stock options issued and outstanding as of December 31, 2023:

Expiry date	Exercise price ($)	Weighted average remaining contractual life (years)	Number of options outstanding	Grant date fair value ($)	Number of options vested (exercisable)
December 2, 2024	0.10	0.27	1,450,000	200,100	1,450,000
February 10, 2025	0.1575	0.09	400,000	64,000	400,000
May 26, 2025	0.83	0.20	715,000	438,295	715,000
July 14, 2025	0.64	0.11	350,000	165,550	350,000
August 24, 2025	0.65	0.02	50,000	24,000	50,000
October 9, 2025	0.72	0.05	150,000	88,650	150,000
October 28, 2025	0.70	0.11	300,000	164,400	300,000
November 5, 2025	0.79	0.04	100,000	61,900	100,000
January 20, 2027	0.175	0.31	500,000	70,142	250,000
October 10, 2028	0.05	0.93	975,000	9,750	243,750
	0.32	**2.12**	**4,990,000**	**1,286,787**	**4,008,750**

(Expressed in Canadian Dollars)

13.Stock options (continued)

b) The following table reflects the continuity of Series A preferred share options for the years presented:

	Number of stock options	Weighted average exercise price ($)
Balance, December 31, 2021	**-**	**-**
Granted	12,500	7.00
Balance, December 31, 2022	**12,500**	**7.00**
Granted October, 2023	85,000	7.25
Balance, December 31, 2023	**97,500**	**7.22**

The grant date fair value of Series A Preferred share options granted during the year ended December 31, 2023 has been estimated at $0.20 per option using the Black-Scholes option pricing model. The Company has applied the following assumptions in determining fair value of common share options granted during the following periods:

	Year Ended December 31, 2023	Year Ended December 31, 2022
Exercise price per option	$7.25	$7.00
Risk-free interest rate	4.15%	1.68%
Expected volatility	182%	104%
Expected life	5.00	5.00
Forfeiture rate	N/A	N/A
Fair value per option	$0.20	$5.94

The following table reflects the Series A preferred stock options issued and outstanding as of December 31, 2023:

Expiry date	Exercise price ($)	Weighted average remaining contractual life (years)	Number of options outstanding	Grant date fair value ($)	Number of options vested (exercisable)
January 20, 2027[(1)]	7.00	0.39	12,500	74,252	6,250
October 10, 2028[(1)]	7.25	4.17	85,000	17,000	21,250
	7.22	**4.56**	**97,500**	**91,252**	**27,500**

[(1)] These stock options will convert to Series A preferred shares if and when exercised.

c) For the year ended December 31, 2023, the Company reported share-based compensation expense of $87,119 (year ended December 31, 2022 - $272,544).

(Expressed in Canadian Dollars)

14. General and administrative

	Year Ended December 31, 2023	Year Ended December 31, 2022
Consulting fees	$ **459,013**	$ 336,913
Professional fees	**187,191**	217,025
Investor relations	**60,000**	61,050
Salaries and benefits	**280,576**	284,873
Office and general	**113,852**	85,191
Travel expenses	**36,147**	39,619
Regulatory fees	**43,314**	46,524
	$ **1,180,093**	$ 1,071,195

15. Loss per share

	Year Ended December 31, 2023	Year Ended December 31, 2022
Loss for the year	$ **(1,407,328)**	$ (5,698,325)
Weighted average number of common shares - basic and diluted	**59,097,178**	59,097,178
Basic and diluted loss per share	$ **(0.02)**	$ (0.10)

Basic income (loss) per share is calculated based on net income (loss) and the weighted-average number of common shares outstanding. The Company recorded losses for the year ended December 31, 2023 and therefore any addition to basic shares is anti-dilutive. The impact of all shares issued under the stock option plan in calculating the weighted average number of diluted shares did not materially impact on the calculation of net income per share.

16. Segmented information

The Company's operations comprise a single reporting operating segment engaged in the business of merchant banking in Canada. As the operations comprise a single reporting segment, amounts disclosed in the financial statements also represent segment amounts. In order to determine reportable operating segments, the chief operating decision maker reviews various factors including geographical location, quantitative thresholds and managerial structure.

17. Related party transactions

Related parties include the Board of Directors, officers, close family members and enterprises that are controlled by these individuals as well as certain persons performing similar functions.

	Year ended December 31, 2023	Year ended December 31, 2022
Consulting fees	**368,500**	326,700
Share based compensation	**34,395**	103,061
Salaries and benefits	**147,195**	147,263
	$ **550,090**	$ 577,024

(Expressed in Canadian Dollars)

As at December 31, 2023, the Company recorded a prepayment of $160,901 (December 31, 2022 - $nil) for consulting fees for the Company's two Co-Chief Executive Officers. As at December 31, 2023, the Company recorded accounts payable and accruals of $46,833 (December 31, 2022 - $91,525) for consulting fees for the Company's other officers. Accounts payable at December 31, 2023 include $14,188 due to an Investee Entity for services provided in the year (December 31, 2022 - $2,373). See also note 4. Advances to / from investees.

Investments in companies with common management personnel

As at December 31, 2023, the Company held investment positions in the following issuers with common officers and directors:

Entity	Type of Investment	Holdings (#)	Fair Value
CXTL Recycling (Canada) Corp.(1)	Common shares	115,592 shares	$nil
Previcare, Inc.(2),(4)	Common shares	1,600,000 shares	$nil
Ignite Alliance Corp.	Common shares	50,000 shares	$nil
Bluenose Quartz Ltd..(3)	Common shares	100 shares	$nil

(1) Andrew Osis, Co-Chief Executive Officer of the Company, is also the Executive Chairman of CXTL and Ian Wild, Director of the Company is also a Director of CXTL.
(2) Kevin Spall, Co-Chief Executive Officer of the Company, is also the Treasurer/VP and a Director of Previcare, Inc.
(3) Andrew Osis and Kevin Spall, Co-Chief Executive Officers of the Company, are also the directors of Bluenose Quartz Ltd.
(4) Lance McIntosh, CFO of the Company, is also CFO of Previcare, Inc.

18. Advisory Fees

Advisory fees are generated from providing management advisory services to investee entities. Advisory fees received in the year encompass amounts owing for the period from mid-2020 to mid-2023.The portion of advisory fee revenue related to those prior fiscal periods was not recognized in the Company's annual audited financial statements in those prior fiscal periods . IFRS accounting pronouncements recommend that, if the collectability issue has been resolved and the revenue is now reliably measurable, it should be recognized in the current period when it is collected, rather than being restated as a prior period adjustment.

19. Capital management

The Company manages its capital with the following objectives:

- to ensure sufficient financial flexibility to achieve the ongoing business objectives including funding of future growth opportunities, and pursuit of accretive acquisitions; and
- to maximize shareholder return through enhancing the share value.

The Company monitors its capital structure and makes adjustments according to market conditions in an effort to meet its objectives given the current outlook of the business and industry in general. The Company may manage its capital structure by issuing new shares, repurchasing outstanding shares, adjusting capital spending, or disposing of assets. The capital structure is reviewed by management and the Board of Directors on an ongoing basis. As discussed in note 1, the Company's ability to continue to carry out its activities as a merchant capital firm is uncertain and dependent upon the continued financial support of its shareholders and securing additional financing.

The Company considers its capital to be equity which comprises common and Series A preferred share capital, warrants, contributed surplus and accumulated deficit which, at December 31, 2023, totaled a shareholders' deficiency of $1,867,559 (December 31, 2022 - a Restated deficiency of $1,133,098). The Company's capital management objectives, policies and processes remained unchanged during the period ended December 31, 2023.

20. Financial instruments and financial risk management

The Company's activities expose it to a variety of financial risks: credit risk, liquidity risk and market risk (including interest rate risk, foreign currency risk and commodity and equity price risk). Risk management is carried out by the Company's management team with guidance from the Board of Directors.

The Company has exposure to the following risks from its use of financial instruments:

(i) Credit Risk

Credit risk is the risk of loss associated with a counterparty's inability to fulfill its payment obligations. The Company's credit risk is primarily attributable to cash and cash equivalents, due from related parties and trade and other receivables. Cash and cash equivalents are held with select major Canadian chartered banks. Trade and other receivables consist of sales taxes receivable from government authorities in Canada. The Company does not have significant concentration risk from cash and cash equivalents, due from related parties and trade and other receivables.

(ii) Liquidity Risk

Liquidity risk is the risk the Company will encounter difficulties in meeting its financial liability obligations. The Company manages its liquidity risk through cash management, which includes monitoring forecasts of the Company's cash and cash equivalent on the basis of projected cash flow. As at December 31, 2023, the Company had cash on hand, including Restricted Cash, of $13,232,976 (December 31,2022 - $13,571) to settle current liabilities of $15,227,751 (December 31, 2022 - $1,492,278). Historically, the Company's main source of funding has been primarily the issuance of securities for cash through private placements. The Company's access to financing is always uncertain. There can be no assurance of continued access to significant equity funding.

(iii) Market Risk

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

(a) Interest Rate Risk

The Company has cash balances invested in guaranteed investment certificates that are issued by a Canadian Chartered bank. At prevailing market interest rates, the impact on interest income is minimal. The Company has interest-bearing debt denominated in US dollars. At prevailing market interest rates, the impact on interest expense would be approx. US$100,000 (approx. CDN$132,000) annually for every one percent (1.0%) increase or decrease in the interest rate.

(b) Foreign Currency Risk

The Company has current assets and current liabilities denominated in United States dollars. The amount of the US dollar current assets basically equals the amount of the US dollar current liabilities, which provides a natural hedge for an otherwise potentially material foreign currency risk.

(c) Commodity and Equity Price Risk

The Company is exposed to price risk with respect to commodity prices. Commodity price risk is defined as the potential adverse impact on earnings and economic value due to commodity price movements and volatilities. The Company closely monitors commodity prices as they relate to valuable minerals to determine the appropriate course of action to be taken by the Company. The Company is exposed to market risks associated with the inherent volatility and external factors that can impact the fair value of equity instruments.

Fair Value of Financial Instruments

The Company measures fair value in accordance with IFRS 13 Fair Value Measurement, which provides a single source of fair value measurement guidance. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The Company has applied the framework for measuring fair value, which requires a fair value hierarchy to be applied to all fair value measurements:

- Level 1 – valuation based on quoted prices (unadjusted) observed in active markets for identical assets or liabilities.

(Expressed in Canadian Dollars)

- Level 2 – valuation techniques based on inputs that are quoted prices of similar instruments in active markets; quoted prices for identical or similar instruments in markets that are not active; inputs other than quoted prices used in a valuation model that are observable for that instrument; and inputs that are derived from or corroborated by observable market data by correlation or other means.
- Level 3 – valuation techniques with significant unobservable market inputs. Level 3 financial instruments include investments.

The fair values of cash and cash equivalents, short-term investments, trade and other receivables, advances to investees, due from related parties, accounts payable and accrued liabilities, advances from investees and promissory note payable included in the statement of financial position approximate their carrying amount due to the short-term maturity of these instruments. The fair value of investments is measured at fair value through profit or loss and considered to be under Level 3 hierarchy. There were no transfers between levels in the fair value hierarchy during the year ended December 31, 2023.

21. Income taxes

a) Provision for Income Taxes
Major items causing the Company's effective income tax rate to differ from the combined Canadian federal and provincial statutory rate of 23.0% (2022 - 23.0%) were as follows:

	Year Ended December 31, 2023	2022
Loss before income taxes	**$ (1,407,328)**	$ (5,698,325)
Expected income tax recovery based at statutory rate	**323,685**	1,310,615
Non-deductible expenses	**(25,103)**	(1,042,316)
Change in benefit of tax assets not recognized	**(298,672)**	(268,299)
	$ -	$ -

b) Deferred Taxation
The approximate tax effect of temporary differences and tax loss carry forwards that give rise to the Company's deferred tax assets (liabilities) are as follows

	Year Ended December 31, 2023	2022
Mineral claims	**$ 152,000**	$ 45,000
Share issue costs	**16,000**	38,000
Provision for expected credit loss	**27,000**	16,000
Capital cost allowance	**66,000**	66,000
Tax loss carry-forwards	**1,261,000**	1,058,000
Temporary differences	**1,522,000**	1,223,000
Tax benefit not recognized	**(1,522,000)**	(1,223,000)
Deferred income tax asset	**$ -**	$ -

Deferred tax assets are recognized only to the extent that it is probable that the assets can be recovered. At December 31, 2023, the Company has approximately $5.55 million of Canadian non-capital losses which, under certain circumstances, can be used to reduce taxable income in future years. These losses expire between 2040 and 2043.

22. Subsequent events

- On May 7, 2024 the Company was granted a Management Cease Trade Order by the Alberta Securities Commission, (the "ASC") as a result of the Company being late to file the 2023 annual audited financial statements.
- On June 28, 2024 the Company repaid the Term Loan from the Canadian financial institution in the amount of US$10,000,000 using the Restricted Cash.
- Accrued interest on the Term Loan, in the amount of $US 539,315.08, was converted to a non-interest bearing Demand Promissory Note.
- On July 12, 2024 the ASC issued a Cease Trade Order (the "CTO"). The CTO was issued as a result of the continuing delay in the filing of the Company's 2023 audited annual financial statements and the accompanying corresponding interim financial statements, management discussion and analysis, and certifications for the period ended March 31, 2024.
- On July 15, 2024, the TSX Venture Exchange (the "TSXV") suspended trading in the Company's securities as a result of the CTO issued by the ASC.