MAGNETIC NORTH ACQUISITION CORP.

CONDENSED INTERIM FINANCIAL STATEMENTS

FOR THE THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2023 AND 2022

(EXPRESSED IN CANADIAN DOLLARS)

Notice to Reader

The accompanying unaudited condensed interim financial statements of Magnetic North Acquisition Corp. (the "Company") have been prepared by and are the responsibility of management. The unaudited condensed interim financial statements have not been reviewed by the Company's auditors.

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

	As at September 30, 2023	As at December 31, 2022
ASSETS		
Current assets		
Cash and cash equivalents	**$ 8,569**	$ 13,571
Short-term investments (note 3)	**27,400**	27,400
Trade and other receivables	**-**	29,891
Advances to investees (note 4)	**-**	167,437
Prepaids and other current assets	**-**	1,399
Total current assets	**35,969**	239,698
Non-current assets		
Investments - fair value through profit or loss (note 6)	**-**	-
Property, plant and equipment (note 7)	**3**	3
Mineral claims (note 8)	**1**	1
Exploration and evaluation assets (note 9)	**1**	1
Other assets (note 10)	**314,413**	314,413
Total assets	**$ 350,387**	$ 554,116
LIABILITIES AND SHAREHOLDERS' DEFICIENCY		
Current liabilities		
Accounts payable and accrued liabilities (note 11)	**$ 765,404**	$ 1,247,892
Promissory note payable	**176,984**	176,984
Deferred revenue	**139,000**	-
Advances from investees (note 4)	**175,481**	-
Total current liabilities	**1,256,869**	1,424,876
Non-current liabilities		
Asset retirement obligation (note 12)	**195,476**	194,936
Financial liability - Series A preferred shares (note 13)	**17,404,749**	17,404,749
Total liabilities	**18,857,094**	19,024,561
Shareholders' deficiency		
Common shares (note 14)	**29,083,903**	29,083,903
Warrants (note 15)	**1,088,072**	1,088,072
Contributed surplus	**3,625,840**	3,557,451
Accumulated deficit	**(52,304,522)**	(52,199,871)
Total shareholders' deficiency	**(18,506,707)**	(18,470,445)
Total liabilities and shareholders' deficiency	**$ 350,387**	$ 554,116

Nature of operations and going concern (note 1)
Commitments (note 21)
Subsequent events (note 23)

Magnetic North Acquisition Corp.
Statements of Loss and Comprehensive Loss
(Expressed in Canadian dollars)
(Unaudited)

	Three Months Ended September 30, 2023	Three Months Ended September 30, 2022	Nine Months Ended September 30, 2023	Nine Months Ended September 30, 2022
Revenues				
Advisory fees	**$ 60,000**	$ -	**$ 820,000**	$ -
Expenses				
Exploration and evaluation expenses	**3,930**	1,050	**13,255**	9,292
General and administrative (note 17)	**335,090**	150,824	**842,517**	616,327
Share-based compensation (note 16)	**14,798**	52,210	**68,389**	216,722
Depreciation	**-**	724	**-**	2,172
Total expenses	**353,818**	204,808	**924,161**	844,513
Loss before other items	**(293,818)**	(204,808)	**(104,161)**	(844,513)
Other items				
Accretion	**(180)**	(190)	**(540)**	(570)
Finance income, net	**-**	-	**50**	10
Preferred share-based transaction costs	**-**	-	**-**	(207,810)
Fair value adjustment of investments (note 6)	**-**	5,000,000	**-**	5,000,000
Net and comprehensive income (loss) for the period	**$ (293,998)**	$ 4,795,002	**$ (104,651)**	$ 3,947,117
Net and comprehensive income (loss) per share - Basic and Diluted (note 18)	**$ (0.00)**	$ 0.08	**$ (0.00)**	$ 0.07
Weighted average number of common shares - Basic and Diluted (note 18)	59,097,178	59,097,178	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)
(Unaudited)

	Nine Months Ended September 30, 2023	Nine Months Ended September 30, 2022
Operating activities		
Net income (loss) for the period	**$ (104,651)**	$ 3,947,117
Adjustments for:		
Depreciation	**-**	2,172
Accretion	**540**	570
Share-based compensation	**68,389**	216,722
Fair value adjustment of investments	**-**	(5,000,000)
Share-based transaction costs	**-**	193,806
Changes in non-cash working capital items:		
Trade and other receivables	**29,891**	(11,097)
Prepaid expenses and other current assets	**1,399**	22,147
Deferred revenue	**139,000**	-
Accounts payable and accrued liabilities	**(482,488)**	211,399
Net cash used in operating activities	**(347,920)**	(417,164)
Investing activities		
Advances from (to) investees	**342,918**	(17,740)
Net cash provided by (used in) investing activities	**342,918**	(17,740)
~~**Financing activities**~~		
Financing activities		
Proceeds from private placement	**-**	360,031
Proceeds from subscription receipts	**-**	75,000
Net cash provided by financing activities	**-**	435,031
Net change in cash and cash equivalents	**(5,002)**	127
Cash and cash equivalents, beginning of period	**13,571**	38
Cash and cash equivalents, end of period	**$ 8,569**	$ 165

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)
(Unaudited)

	Common Shares					
	Number (#)	Amount ($)	Warrants	Contributed Surplus	Accumulated Deficit	Shareholders' Deficiency
Balance, December 31, 2021	**59,097,178**	**$ 29,083,903**	**$ 894,266**	**$ 3,284,907**	**$ (46,349,086)**	**$ (13,086,010)**
Share-based compensation	-	-	-	216,722	-	216,722
Preferred share issue costs - warrants	-	-	193,806	-	-	193,806
Net and comprehensive income for the period	-	-	-	-	3,947,117	3,947,117
Balance, September 30, 2022	**59,097,178**	**$ 29,083,903**	**$ 1,088,072**	**$ 3,501,629**	**$ (42,401,969)**	**$ (8,728,365)**
Balance, December 31, 2022	**59,097,178**	**$ 29,083,903**	**$ 1,088,072**	**$ 3,557,451**	**$ (52,199,871)**	**$ (18,470,445)**
Share-based compensation	-	-	-	68,389	-	68,389
Net and comprehensive loss for the period	-	-	-	-	(104,651)	(104,651)
Balance, September 30, 2023	**59,097,178**	**$ 29,083,903**	**$ 1,088,072**	**$ 3,625,840**	**$ (52,304,522)**	**$ (18,506,707)**

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 November 28, 2023.

These unaudited condensed interim 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 unaudited condensed interim 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 unaudited condensed interim 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 $104,651 during the nine months ended September 30, 2023 (nine months ended September 30, 2022 - income of $3,947,117) and has an accumulated deficit of $52,304,522 as at September 30, 2023 (December 31, 2022 - $52,199,871). In addition, the Company had a working capital deficiency of $1,220,900 as at September 30, 2023 (December 31, 2022 - working capital deficiency of $1,185,178). 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. 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 unaudited condensed interim 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 ("IASB") and interpretations issued by the IFRS Interpretations Committee ("IFRIC"). These unaudited condensed interim financial statements have been prepared in accordance with International Accounting Standard 34, Interim Financial Reporting. Accordingly, they do not include all of the information required for full annual financial statements required by IFRS as issued by the IASB.

The policies applied in these unaudited condensed interim financial statements are based on IFRS issued and outstanding as of November XX, 2023, the date the Board of Directors approved the statements. The same accounting policies and methods of computation are followed in these unaudited condensed interim financial statements as compared with the most recent audited financial statements as at and for the twelve months ended December 31, 2022, except as noted below. Any subsequent changes to IFRS that are given effect in the Company's annual financial statements for the year ending December 31, 2023 could result in restatement of these unaudited condensed interim financial statements.

Basis of measurement and presentation

These unaudited condensed interim 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 unaudited condensed interim financial statements have been prepared using the accrual basis of accounting except for cash flow information. These unaudited condensed interim financial statements are presented in Canadian dollars, which is also the Company's functional currency.

Basis of consolidation

A subsidiary is an entity over which the Company has control. The Company controls an entity when the Company is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial results of subsidiaries are included in the unaudited condensed interim financial statements from the date that control commences until the date that control ceases.

Significant accounting judgments, estimates and new accounting policies

The preparation of these unaudited condensed interim financial statements in accordance with IFRS requires management to make judgments and estimates that could materially affect the amounts recognized in the unaudited condensed interim 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 unaudited condensed interim financial statements.

2. Basis of presentation (continued)

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.

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.

2. Basis of presentation (continued)

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 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.

2. Basis of presentation (continued)

Recent Accounting Pronouncements

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

IAS 1 – Presentation of Financial Statements ("IAS 1") was amended in January 2020 to provide a more general approach to the classification of liabilities under IAS 1 based on the contractual arrangements in place at the reporting date. The amendments clarify that the classification of liabilities as current or non-current is based solely on a company's right to defer settlement at the reporting date. The right needs to be unconditional and must have substance. The amendments also clarify that the transfer of a company's own equity instruments is regarded as settlement of a liability, unless it results from the exercise of a conversion option meeting the definition of an equity instrument. The adoption of these amendments did not have any impact on the Company's financial statements.

Amendments to IAS 8 – accounting policies, changes in accounting estimates and errors
The amendments to IAS 8 are applied in selecting and applying accounting policies, accounting for changes in estimates and reflecting corrections of prior period errors. The standard requires compliance with any specific IFRS applying to a transaction, event or condition, and provides guidance on developing accounting policies for other items that result in relevant and reliable information. Changes in accounting policies and corrections of errors are generally retrospectively accounted for, whereas changes in accounting estimates are generally accounted for on a prospective basis. The adoption of these amendments did not have any impact on the Company's financial statements.

Amendments to IAS 12 - Deferred Tax related to Assets and Liabilities arising from a Single Transaction The amendments to IAS 12 Income Taxes require companies to recognize deferred tax on transactions that, on initial recognition, give rise to equal amounts of taxable and deductible temporary differences. They will typically apply to transactions such as leases of lessees and decommissioning obligations and will require the recognition of additional deferred tax assets and liabilities. The amendment should be applied to transactions that occur on or after the beginning of the earliest comparative period presented. No significant impact to the Company's financial statements is expected.

Amendments to IAS 1 and IFRS Practice Statement 2 - Disclosure of Accounting Policies - The IASB amended IAS 1 to require entities to disclose their material rather than their significant accounting policies. The amendments define what is 'material accounting policy information' and explain how to identify when accounting policy information is material. They further clarify that immaterial accounting policy information does not need to be disclosed. If it is disclosed, it should not obscure material accounting information. To support this amendment, the IASB also amended IFRS Practice Statement 2 Making Materiality Judgements to provide guidance on how to apply the concept of materiality to accounting policy disclosures.

(Expressed in Canadian Dollars)

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 September 30, 2023, $27,400 (December 31, 2022 - $27,400) were 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 6, the Company is required to contribute capital to CXTL as part of its 50% ownership. During the nine months ended September 30, 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 amount outstanding was reduced by a repayment from CXTL during 2023. As at September 30, 2023, the amount received from CXTL was $230,997 (December 31, 2022 - $192,437).

Previcare has also received advances. As at September 30, 2023, the amount advanced to Previcare was $45,050 (December 31, 2022 - $nil). During the 2022 fiscal year an ECL of $71,377 was recorded.

5. Bridge loan receivable

On April 14, 2020, the Company entered into a loan agreement to provide Previcare, Inc. (“Previcare”) with a secured bridge loan ("Bridge Loan") of up to US$500,000. The Company provided $695,000, which is the equivalent of US$500,000, to Previcare with respect to the Bridge Loan. The Bridge Loan had a nine-month term from the closing date. The Bridge Loan accrued interest at 15.0% per annum: a) accrued monthly or daily if repaid other than at a month end; otherwise, b) to be paid at the end of the term, subject to five (5) months’ minimum interest on the principal amount outstanding if the entire principal amount outstanding was repaid prior to the end of the fifth month. The Bridge Loan, principal and all accrued and unpaid interest, is repayable at the end of the term. Previcare may repay the Bridge Loan in advance of the end of the term, by first paying all accrued interest to the date of repayment plus principal repayment(s) in tranches of $50,000.

The Bridge Loan entitled the Company to receive a total of 50,000 warrants to acquire common shares of Previcare, on a one-for-one basis at a cost of $10.00 per common share. The warrants vested immediately upon execution of the loan agreement and expired three (3) years from the execution date.

The Bridge Loan is secured by current and non-current assets of Previcare and its subsidiaries (including but not limited to accounts receivable, intellectual property and contractual relationships).

As at September 30, 2023, the Bridge Loan amount of $695,000 (December 31, 2022 - $695,000) remained outstanding with accrued interest of $66,509. As at September 30, 2023, the Company reported estimated credit losses of $695,000 and $66,509 for the principal and interest, respectively (December 31, 2022 - $695,000 and $66,509, respectively).

6. Investments

The following chart lists the investments carried at FVTPL as at September 30, 2023:

	September 30, 2023		December 31, 2022	
Investments	**Cost**	**Fair Value**	Cost	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	$ -

6. Investments (continued)

The Company also held shares in the following companies that 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 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. ("CXTL") 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 September 30, 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 September 30, 2023, management determined that, in the absence of sufficient independent observable evidence and other support for the valuation assumptions used under the income approach / discounted cash flow method, the fair value of MNAC's investment in CXTL cannot be readily determined. In accordance with IFRS 9, value has been assessed as $nil (December 31, 2022 - $nil).

Other investments have been assessed to have $nil fair value as at September 30, 2023 (December 31, 2022 - $nil), MNAC 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 to Previcare Inc. for an immaterial amount. This subsidiary had immaterial assets and its operations had not yet commenced.

(Expressed in Canadian Dollars)

7. Property, plant and equipment

Cost		Water Treatment Equipment		Treatment Building		Site Improvements		Computer Hardware		Total
December 31, 2022 and September 30, 2023	**$**	**107,872**	**$**	**105,822**	**$**	**216,210**	**$**	**5,136**	**$**	**435,040**
Accumulated depreciation										
December 31, 2021	**$**	**107,871**	**$**	**105,821**	**$**	**216,209**	**$**	**2,244**	**$**	**432,145**
Depreciation		-		-		-		2,892		2,892
December 31, 2022 and September 30, 2023		**107,871**		**105,821**		**216,209**		**5,136**		**435,037**
Carrying value										
At December 31, 2022	**$**	**1**	**$**	**1**	**$**	**1**	**$**	**-**	**$**	**3**
At September 30, 2023	**$**	**1**	**$**	**1**	**$**	**1**	**$**	**-**	**$**	**3**

8. Mineral claims

This represents the mineral claims on the Company's wholly owned White Rock property (the "Property") located in Yarmouth County, Nova Scotia.

		As at September 30, 2023		As at December 31, 2022
Cost, beginning and end of period	**$**	**972,183**	$	972,183
Accumulated depletion, beginning and end of period		**(14,381)**		(14,381)
Accumulated impairment, beginning and end of period		**(957,801)**		(957,801)
Accumulated depletion and impairment, beginning and end of period		**(972,182)**		(972,182)
Carrying value end of period	**$**	**1**	$	1

In February 2021, the Company incorporated Bluenose Quartz Ltd. (“Bluenose”), a Nova Scotia corporation, to commence the process of transferring the mine assets in Nova Scotia to this new entity. There was no activity in Bluenose during the nine months ended September 30, 2023.

(Expressed in Canadian Dollars)

9. Exploration and evaluation assets

This represents the exploration and evaluation assets on the Company's wholly owned Property located in Yarmouth County, Nova Scotia.

	As at September 30, 2023	As at December 31, 2022
Cost, beginning and end of year	**$ 2,994,903**	$ 2,994,903
Accumulated depletion, beginning and end of year	**(48,659)**	(48,659)
Accumulated impairment, beginning and end of year	**(2,946,243)**	(2,946,243)
Accumulated depletion and impairment, beginning and end of year	**(2,994,902)**	(2,994,902)
Carrying value end of year	**$ 1**	$ 1

10. 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 $314,413 (December 31, 2022 - $314,413).

11. Accounts payable and accrued liabilities

	As at September 30, 2023	As at December 31, 2022
Trade accounts payables	**$ 67,128**	$ 394,846
Accrued liabilities	**623,276**	413,512
Other payable	**75,000**	75,000
Deposits(1)	**-**	364,534
	$ 765,404	$ 1,247,892

(1) Deposits relate to prepayment of fees received relating to a transaction that was pending finalization of terms and conditions. Final transaction terms and conditions were not agreed and the transaction was not completed. The Deposit was returned during the three months ended September 30th.

(Expressed in Canadian Dollars)

12. 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 updated in November 2020 using currently acceptable unit costs and information reflective of current site conditions and disturbed areas.

The following table presents the reconciliation of the carrying amount of the liability associated with the reclamation of the Company's property:

	As at September 30, 2023	As at December 31, 2022
Opening balance	**$ 194,936**	$ 182,576
Accretion	**540**	760
Effect of change in estimates	**-**	11,600
	$ 195,476	$ 194,936

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

	As at September 30, 2023	As at December 31, 2022
Undiscounted cash flows	**$ 182,000**	$ 182,000
Discount rate	**3.750%**	3.750%
Inflation rate	**6.77%**	6.77%
Weighted average expected timing of cash flows	**2 years**	2 years

13. Financial liability - Series A preferred shares

(i) Series A preferred shares issued

	Number of preferred shares	Amount
Balance, December 31, 2021	**1,712,927**	**$ 17,044,718**
Private placement[(1)]	37,898	360,031
Share issue costs[(2)]	-	(207,810)
Total share issue costs expensed to share-based transaction costs	-	207,810
Balance December 31, 2022 and September 30, 2023	**1,750,825**	**17,404,749**

13. Financial liability - 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 $193,806 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 September 30, 2023, no dividends were paid or declared in the period then ended.

(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)

13. Financial liability - Series A preferred shares (continued)

The Company's series A preferred shares have been classified as a financial liability as the Company has a contractual obligation to deliver cash to the holders of Series A preferred shares. As these Series A preferred shares are perpetual, their fair value is $17,404,749 as at September 30, 2023 (December 31, 2022 - $17,404,749).

14. Share capital

a) Authorized 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, 2021 and September 30, 2022	**59,097,178**	**$ 29,083,903**
Balance, December 31, 2022 and September 30, 2023	**59,097,178**	**$ 29,083,903**

15. Warrants

	Number of warrants	Grant date fair value
Balance, December 31, 2021	**405,264**	**$ 894,266**
Issued (note 13(i)[(1)])	37,898	193,806
Balance, September 30, 2022	443,162	$ 1,088,072
Balance, December 31, 2022 and September 30, 2023	**443,162**	**$ 1,088,072**

Expiry date	Exercise price ($)	Number of warrants outstanding	Grant date fair value ($)
October 28, 2025	0.70	300,000	164,400
December 6, 2026	10.00	105,264	729,866
April 20, 2027	10.00	37,898	193,806
		443,162	**1,088,072**

(Expressed in Canadian Dollars)

16. 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. 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.

The following table reflects the continuity of stock options for the periods presented:

	Number of stock options	Weighted average exercise price ($)
Balance, December 31, 2021	**3,943,927**	**0.40**
Granted	512,500	0.34
Balance, September 30, 2022	**4,456,427**	**0.40**
Balance, December 31, 2022 and September 30, 2023	**4,456,427**	**0.40**

The weighted average grant date fair value of options granted during the nine month ended September 30, 2023 has been estimated between $0.121 - $5.137 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:

	Nine Months Ended September 30, 2022	Nine Months Ended September 30, 2023
Weighted average exercise price per option	N/A	$0.34
Risk-free interest rate	N/A	1.68%
Expected volatility	N/A	104%
Weighted average expected life	N/A	5.00
Forfeiture rate	N/A	N/A
Weighted average fair value per option	N/A	$0.243

For the three and nine months ended September 30, 2023, the Company reported share-based compensation expense of $14,798 and $68,389, respectively (three and nine months ended September 30, 2022 - $52,210 and $216,722, respectively).

(Expressed in Canadian Dollars)

16. Stock options (continued)

The following table reflects the stock options issued and outstanding as of September 30, 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	1.18	1,750,000	241,500	1,750,000
February 10, 2025	0.1575	1.37	400,000	64,000	400,000
May 26, 2025	0.83	1.65	843,927	517,327	843,927
July 14, 2025	0.64	1.79	350,000	165,550	300,000
August 24, 2025	0.65	1.90	50,000	24,000	37,500
October 9, 2025	0.72	2.03	150,000	88,650	75,000
October 28, 2025	0.70	2.08	300,000	164,400	225,000
November 5, 2025	0.79	2.10	100,000	61,900	75,000
January 20, 2027	0.175	3.31	500,000	60,500	250,000
January 20, 2027[1]	7.00	3.31	12,500	64,213	6,250
	0.40	**1.70**	**4,456,427**	**1,452,040**	**3,962,677**

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

17. General and administrative

	Three Months Ended September 30, 2023	Three Months Ended September 30, 2022	Nine Months Ended September 30, 2023	Nine Months Ended September 30, 2022
Consulting fees	**$ 123,438**	$ 82,624	**$ 349,698**	$ 254,913
Professional fees	**105,489**	37,652	**168,158**	90,325
Investor relations	**15,000**	5,150	**45,000**	30,900
Salaries and benefits	**78,315**	19,298	**222,672**	150,910
Office and general	**9,870**	12,280	**16,982**	46,581
Travel expenses	**-**	-	**-**	2,162
Regulatory fees	**2,978**	(6,180)	**40,007**	40,536
	$ 335,090	$ 150,824	**$ 842,517**	$ 616,327

(Expressed in Canadian Dollars)

18. Loss per share

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2023	**2022**	**2023**	**2022**
Income (loss) for the period	**$ (293,998)**	$ 4,795,002	**$ (104,651)**	$ 3,947,117
Weighted average number of common shares - basic and diluted	**59,097,178**	59,097,178	**59,097,178**	59,097,178
Basic and diluted income (loss) per share	**$ (0.00)**	$ 0.08	**$ (0.00)**	$ 0.07

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 three and nine months ended September 30, 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.

19. 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.

20. 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.

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2023	**2022**	**2023**	**2022**
Consulting fees	**$ 108,117**	$ 79,775	**$ 286,350**	$ 246,895
Share-based compensation	**-**	20,341	**-**	89,361
Salaries and benefits	**-**	12,000	**-**	122,000
	$ 108,117	$ 112,116	**$ 286,350**	$ 458,256

As at September 30, 2023, the Company recorded a prepayment of $118,808 (December 31, 2022 - $nil) for consulting fees for the Company’s two Co-Chief Executive Officers. As at September 30, 2023, the Company recorded accounts payable and accruals of $28,583 (December 31, 2022 - $91,525) for consulting fees for the Company’s officers.

(Expressed in Canadian Dollars)

20. Related party transactions (continued)

Investments in companies with common management personnel

As at September 30, 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)	Common shares	1,600,000 shares	$nil
Ignite Alliance Corp.(3)	Common shares	50,000 shares	$nil
Bluenose Quartz Ltd..(4)	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, Co-Chief Executive Officer of the Company, is also the Chief Financial Officer of Ignite Alliance Corp.
(4) Andrew Osis and Kevin Spall, Co-Chief Executive Officers of the Company, are also the directors of Bluenose Quartz Ltd.

21. Commitments

Legal matters

From time to time, the Company becomes party to legal proceedings in the normal course of business. At September 30, 2023, there was one claim (December 31, 2022 – one claim) against the Company for which no amount has been accrued In the Statement of Financial Position.

22. Other event

In 2020, the Company executed an indicative offer of finance (the “Offer”) with Infrastructure Commodities Limited (“ICML”) to explore and mine the Company’s wholly-owned White Rock property (the “Property”) located in Yarmouth County, Nova Scotia. The Offer gave ICML the right to explore and mine the Property for quartz, kaolin and mica, and refine and produce quartz, kaolin and mica for the sale therefrom (the “Mining Assets”). Negotiations with ICML were suspended in early 2023. Subsequently, discussions with respect to acquiring the Property commenced with a separate party. These discussions, based on an executed Letter of Intent, remain at a preliminary stage.

23. Subsequent events

(i) On October 11, 2023, the Company announced that the temporary suspension (halt) in the trading of the Company’s securities instituted by CIRO on July 5th had been revoked.
(ii) On October 11, 2023, the Company announced that Mr. Shahid Qureshi had joined the Company’s Board of Directors.
(iii) On October 11, 2023 the Company also announced the granting of:
  a) 975,000 stock options, which are exercisable for a period of five years from the date of grant, into common shares at a price of $0.05 per share; and,
  b) 85,000 stock options, which are exercisable for a period of five years from the date of grant, into Series A preferred shares of the Company at an exercise price of $7.25 per Series A preferred share.