

# **Minco Capital Corp.**

Condensed Interim Financial Statements

**For the three and six months ended June 30, 2024**

(Unaudited, expressed in Canadian dollars unless otherwise stated)

## NOTICE TO READER

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

The accompanying unaudited condensed interim financial statements of Minco Capital Corp. have been prepared by, and are the responsibility of, the Company's management. The accompanying unaudited condensed interim financial statements have been prepared in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board applicable to the preparation of interim financial statements, including IAS 34, Interim Financial Reporting.

Minco Capital Corp.'s independent auditor has not performed a review of these condensed interim financial statements in accordance with standards established by the Chartered Professional Accountants of Canada for a review of condensed interim financial statements by an entity's auditor.

Dr. Ken Cai  
Chief Executive Officer

Renee Lin, CPA, CGA  
Chief Financial Officer

Vancouver, Canada  
August 14, 2024

# Minco Capital Corp.

## Condensed Interim Statements of Financial Position

(Unaudited, expressed in Canadian dollars, unless otherwise stated)

	June 30, 2024	December 31, 2023
<b>Assets</b>	\$	\$
<b>Current assets</b>		
Cash and cash equivalents (note 3)	365,061	391,301
Short-term investment (note 4)	420,000	20,000
Investments at fair value (note 5)	4,576,524	5,127,293
Receivables	4,949	1,648
Due from related parties (note 8)	8,528	324
Prepaid expenses and deposits	39,631	23,175
	5,414,693	5,563,741
<b>Non-current assets</b>		
Long-term deposit	13,148	13,148
Property and equipment	384	554
Right-of-use assets (note 6)	139,934	158,186
<b>Total assets</b>	<b>5,568,159</b>	<b>5,735,629</b>
<b>Liabilities</b>		
<b>Current liabilities</b>		
Accounts payable and accrued liabilities	18,889	42,695
Due to related party (note 8)	-	4,844
Lease obligation, current (note 6)	37,962	36,183
	56,851	83,722
Lease obligation, non-current (note 6)	128,966	147,006
	185,817	230,728
<b>Shareholders' Equity</b>		
Share capital (note 7)	35,948,817	36,096,115
Contributed surplus	10,493,116	10,469,089
Deficits	(41,059,591)	(41,060,303)
	5,382,342	5,504,901
<b>Total liabilities and shareholders' equity</b>	<b>5,568,159</b>	<b>5,735,629</b>

Approved by the Board of Directors

(signed) Malcolm Clay Director

(signed) Mike Doggett Director

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

# Minco Capital Corp.

Condensed Interim Statements of Income (Loss) and Comprehensive Income (Loss)

**For the three and six months ended June 30, 2024, and 2023**

*(Unaudited, expressed in Canadian dollars, unless otherwise stated)*

	Three months ended June 30,		Six months ended June 30,	
	2024	2023	2024	2023
	\$	\$	\$	\$
<b>Dividend and interest income</b>	8,780	17,882	17,595	34,184
<b>Realized gain from investments</b> (note 5)	201,114	16,901	269,126	19,141
<b>Unrealized gain (loss) from investments</b> (note 5)	130,128	(281,047)	(220,885)	(270,428)
	340,022	(246,264)	65,836	(217,103)
<b>Operating expenses</b>				
Accounting and audit	7,811	7,281	17,845	13,552
Amortization	9,169	9,694	18,423	20,734
Consulting	5,625	5,625	11,250	11,250
Directors' fees (note 8)	7,500	5,500	13,000	14,000
Interest expense (note 6)	3,381	3,983	6,897	8,110
Investment evaluation and management	9,795	10,935	19,524	22,913
Legal and regulatory	13,084	14,166	23,601	25,442
Office and administration	10,198	8,713	19,899	17,748
Salaries and benefits	23,454	23,477	51,544	50,557
Share-based compensation (note 7)	7,172	31,200	24,027	32,821
Travel	681	703	1,355	1,386
	97,870	121,277	207,365	218,513
<b>Operating gain (loss)</b>	242,152	(367,541)	(141,529)	(435,616)
Foreign exchange gain (loss)	4,128	(3,852)	4,583	(4,667)
<b>Net income (loss) and comprehensive Income (loss) for the period</b>	246,280	(371,393)	(136,946)	(440,283)
<b>Net income (loss) per share</b>				
Basic and diluted	0.01	(0.01)	(0.00)	(0.01)
<b>Weighted average number of common shares outstanding</b>				
Basic and diluted	43,410,881	45,530,345	43,427,101	45,530,345

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

# Minco Capital Corp.

## Condensed Interim Statements of Changes in Shareholders' Equity

### For the six months ended June 30, 2024, and 2023

(Unaudited, expressed in Canadian dollars, unless otherwise stated)

	Number of shares	Treasury shares	Share capital	Contributed surplus	Deficits	Subtotal
	#		\$	\$	\$	\$
<b>Balance - January 1, 2023</b>	44,788,881	5,000	37,072,717	10,386,171	(40,557,116)	6,901,772
Net loss for the period	-	-	-	-	(440,283)	(440,283)
Share-based compensation	-	-	-	32,821	-	32,821
Shares cancelled (note 7)	(309,000)	(5,000)	(259,874)	-	243,233	(16,641)
Treasury shares	(136,000)	136,000	(112,558)	-	104,201	(8,357)
<b>Balance - June 30, 2023</b>	44,343,881	136,000	36,700,285	10,418,992	(40,649,965)	6,469,312
<b>Balance - January 1, 2024</b>	43,608,881	11,000	36,096,115	10,469,089	(41,060,303)	5,504,901
Net loss for the period	-	-	-	-	(136,946)	(136,946)
Share-based compensation	-	-	-	24,027	-	24,027
Shares cancelled (note 7)	(178,000)	(11,000)	(147,298)	-	137,658	(9,640)
<b>Balance - June 30, 2024</b>	43,430,881	-	35,948,817	10,493,116	(41,059,591)	5,382,342

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

# Minco Capital Corp.

## Condensed Interim Statements of Cash Flow

### For the six months ended June 30, 2024, and 2023

(Unaudited, expressed in Canadian dollars, unless otherwise stated)

	Six months ended June 30,	
	2024	2023
<b>Cash flow generated from (used in):</b>	\$	\$
<b>Operating activities</b>		
Net loss for the period	(136,946)	(440,283)
Items not affecting cash and cash equivalent:		
Amortization	18,423	20,734
Interest expense	6,897	8,110
Unrealized loss from investments	220,885	270,428
Realized gain from investments	(269,126)	(19,141)
Share-based compensation	24,027	32,821
Purchase of short-term investments	(400,000)	-
Purchase of investments	(346,626)	(1,022,868)
Disposition of investments	945,636	770,173
Changes in items of working capital:		
Accounts payable and accrued liabilities	(23,808)	(28,006)
Due from (to) related parties	(13,048)	14,099
Prepaid expenses and deposits	(16,456)	(21,542)
Receivables	(3,301)	1,868
<b>Net cash generated from (used in) operating activities</b>	<b>6,557</b>	<b>(413,607)</b>
<b>Financing activities</b>		
Purchase of shares for cancellation	(9,640)	(24,998)
Repayment of the lease obligation	(23,157)	(22,660)
<b>Net cash used in financing activities</b>	<b>(32,797)</b>	<b>(47,658)</b>
<b>Decrease in cash and cash equivalents</b>	<b>(26,240)</b>	<b>(461,265)</b>
<b>Cash and cash equivalents - Beginning of the period</b>	<b>391,301</b>	<b>882,238</b>
<b>Cash and cash equivalents - End of the period</b>	<b>365,061</b>	<b>420,973</b>
<b>Supplemental information:</b>		
Foreign exchange gain (loss) included in unrealized loss from investment	17,187	(14,252)
Taxes paid	-	-
Interest paid	-	-

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

# Minco Capital Corp.

## Notes to the Condensed Interim Financial Statements

### For the three and six months ended June 30, 2024 and 2023

(Unaudited, expressed in Canadian dollars, unless otherwise stated)

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#### 1. Nature of operations

Minco Capital Corp. (the “Company”) is an investment company that aims to generate income and achieve long-term capital appreciation by investing in public and private companies and assets.

The Company was incorporated in 1982 under the laws of British Columbia, Canada, as Cap Rock Energy Ltd. On February 25, 2019, the Company changed its name to Minco Capital Corp. The company’s registered office is 2060 - 1055 West Georgia Street, British Columbia, Canada. The Company’s common shares are traded on the TSX Venture Exchange (“TSX-V”) under the symbol MMM and on the OTC Market in the USA (“OTCQB”) under the symbol MGHCF.

#### 2. Basis of preparation

These condensed interim financial statements have been prepared following International Financial Reporting Standards (“IFRS”) issued by the IASB and apply to preparing interim financial statements, including IAS 34, *Interim Financial Reporting*. They should be read in conjunction with the Company’s annual financial statements for the year ended December 31, 2023, which were prepared following IFRS as issued by the IASB.

The board approved these condensed interim financial statements of directors for issue on August 14, 2024.

The condensed interim financial statements have been prepared under the historical cost convention, except for financial instruments carried at fair value through profit or loss (“FVTPL”).

In preparing these condensed interim financial statements, management has made judgments and estimates that affect the application of the Company’s accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual charges incurred by the Company may differ from these values.

The Company’s accounting policies, significant judgements, and estimates applied in these condensed interim financial statements are consistent with those of the annual financial statements for the year ended December 31, 2023.

#### 3. Cash and cash equivalents

As of June 30, 2024, the Company had cash on hand of \$365,061 (December 31, 2023 - \$391,301).

#### 4. Short-term investment

As of June 30, 2024, the short-term investment consists of:

- \$20,000 cashable guaranteed investment certificates (December 31, 2023 - \$20,000). The yield on this investment is 3.25% per annum (December 31, 2023 – 3.25%).

- \$400,000 guaranteed investment certificates for 180 days (December 31, 2023 - \$Nil), with an annual yield of 5.4% per annum (December 31, 2023 - \$Nil), maturing on December 3, 2024.

# Minco Capital Corp.

## Notes to the Condensed Interim Financial Statements

### For the three and six months ended June 30, 2024 and 2023

(Unaudited, expressed in Canadian dollars, unless otherwise stated)

#### 4. Investments at fair value

The fair values of financial instruments with quoted bid and ask prices are based on the price within the bid-ask spread, which is the most representative of fair value and may include closing prices in exchange markets. The Company considers the closing share price of investments issued by public entities at each reporting date as the fair value. Also, the Company applies the Black Scholes option pricing model to value public companies' share purchase warrants at the reporting date.

The Company had the following investments as of June 30, 2024:

	Number of Shares/Units Held	Fair value
	#	\$
<b>Equities of public resource companies:</b>		
<b>Top ten resource companies by fair value</b>		
-Minco Silver Corporation <sup>(i)</sup>	11,000,000	2,200,000
-Asante Gold Corp.	523,400	607,144
-Lithium South Development Corporation	495,000	128,700
-Unity Software Inc.	4,500	100,148
-Global X Lithium & Battery ETF	1,750	93,007
-Neo Performance Materials Inc	11,000	90,750
-Western Alaska Minerals Corp.	109,069	88,346
-Tesla Inc.	300	81,252
-Lavras Gold Corp.	37,034	74,074
-Lundin Gold Inc.	3,500	70,735
<b>Others</b>	various	962,873
<b>Equities of a private company (EL Olivar)<sup>(ii)</sup></b>	400,000	-
<b>Trust units</b>		
-Sprott Physical Platinum & Palladium Trust	6,050	79,495
<b>Total</b>		<b>4,576,524</b>

The Continuity schedule of the Company's investments during the six months ended June 30, 2024, is as follows:

	December 31, 2023	Additions	Proceeds from dispositions	Realized Gain	Unrealized loss	June 30, 2024
Investment in public entities:	\$	\$	\$	\$	\$	\$
- Shares and partnership units	5,044,955	346,626	(945,636)	269,126	(218,042)	4,497,029
Investment in trust units:	82,338	-	-	-	(2,843)	79,495
<b>Total</b>	<b>5,127,293</b>	<b>346,626</b>	<b>(945,646)</b>	<b>269,126</b>	<b>(220,885)</b>	<b>4,576,524</b>

# Minco Capital Corp.

Notes to the Condensed Interim Financial Statements

**For the three and six months ended June 30, 2024 and 2023**

*(Unaudited, expressed in Canadian dollars, unless otherwise stated)*

## 5. Investments at fair value (continued)

The Company has the following investments as of December 31, 2023:

	Number of Shares/Units Held	Fair value
	#	\$
<b>Equities of public resource companies:</b>		
<b>Top ten resource companies by fair value</b>		
- Minco Silver Corporation <sup>(i)</sup>	11,000,000	1,980,000
- Asante Gold Corp	566,800	804,856
- Amerigo Resources Ltd	278,900	387,671
- Lithium South Development Corporation	579,500	182,543
- Global X Lithium & Battery Tech ETF	1,750	117,880
- Western Alaska Minerals Corp	109,069	104,706
- Azimut Exploration Inc	95,600	87,952
- Neo Performance Materials Inc	11,000	83,930
- Vaneck Gold Miners ETF	2,045	83,873
- Sherritt International Corporation	250,000	73,750
<b>Others</b>	various	1,137,794
<b>Equities of a private company (EI Olivar)<sup>(ii)</sup></b>	400,000	-
<b>Trust units</b>		
-Sprott Physical Platinum & Palladium Trust	6,050	82,338
<b>Total</b>		<b>5,127,293</b>

The Continuity of the Company's investments during the year ended December 31, 2023, is as follows:

	December 31, 2022	Additions	Proceeds from dispositions	Realized gain	Unrealized gain (loss)	December 31, 2023
Investment in public entities:	\$	\$	\$	\$	\$	\$
- Shares and partnership units	5,420,458	1,214,614	(997,627)	140,302	(732,792)	5,044,955
- Share purchase warrants	384,000	-	-	-	(384,000)	-
Investment in trust units:	108,736	-	-	-	(26,398)	82,338
Convertible debenture:	90,000	-	(100,000)	-	10,000	-
<b>Total</b>	<b>6,003,194</b>	<b>1,214,614</b>	<b>(1,097,627)</b>	<b>140,302</b>	<b>(1,133,190)</b>	<b>5,127,293</b>

(i) As of June 30, 2024, the Company held 11,000,000 common shares of Minco Silver Corporation ("Minco Silver"), which was approximately 18% of Minco Silver's number of outstanding shares (December 31, 2023 - 11,000,000 common shares about 18% ownership). As of June 30, 2024, the market price closed at \$0.20 per share (December 31, 2023 - \$0.18 per share).

# Minco Capital Corp.

## Notes to the Condensed Interim Financial Statements

### For the three and six months ended June 30, 2024 and 2023

(Unaudited, expressed in Canadian dollars, unless otherwise stated)

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#### 5. Investments at fair value (continued)

(ii) On December 22, 2016, the Company acquired 5.90% or 400,000 units (“Unit”) of El Olivar Imperial SAC (“El Olivar”), a privately held Peruvian corporation, at US\$1.00 per Unit through a private placement. Each Unit consists of one Class A voting preferred share and 1.5 Class A share purchase warrant (the “El Warrant”), entitling the holder to purchase one additional Class A voting share for US\$1.00. Such warrants expired in 2019.

In accordance with Level 3 of the fair value hierarchy, the Company impaired its investment of \$547,480 (US\$400,000) in El Olivar in 2019. During the six months ended June 30, 2024, there was no change in management’s assessment, and this investment remains impaired.

One company director is also a director, an officer, and a significant shareholder of El Olivar.

#### 6. Leases

The Company shares office space in Vancouver, British Columbia, with other related companies through certain common directors and management. In November 2022, The Company extended its lease commitment for an additional five years, set to conclude on April 30, 2028. As per the guidelines of IFRS 16 Leases, this specific lease arrangement was not accounted for as an independent lease entity. Instead, the right-of-use asset and lease obligation were evaluated at the present value of the adjusted lease payments. This valuation was computed using an incremental borrowing rate of 8% for discounting.

##### a) Right-of-use assets

During the six months ended June 30, 2024, the cost attributable to the Company remained stable. However, in 2023, the Company’s attributable costs fluctuated due to variations in property taxes and other fees. These changes, reflected in the table below, impacted the lease terms.

The following table shows the Company’s right-of-use assets for the six months ended June 30, 2024, and for the year ended December 31, 2023:

	June 30, 2024	December 31, 2023
	\$	\$
Right-of-use asset, beginning of period	158,186	191,491
Change to lease term	-	3,200
Amortization	(18,252)	(36,505)
Right-of-use asset, end of period	139,934	158,186

# Minco Capital Corp.

## Notes to the Condensed Interim Financial Statements

### For the three and six months ended June 30, 2024 and 2023

(Unaudited, expressed in Canadian dollars, unless otherwise stated)

#### 6. Leases (continued)

##### b) Lease obligation

The continuity of the lease obligation for the six months ended June 30, 2024, and the year ended December 31, 2023, is as follows:

	June 30, 2024	December 31, 2023
	\$	\$
Lease obligation recognized, beginning of period	183,189	212,100
Change to lease term	-	3,200
Interest accretion	6,897	15,814
Lease payments	(23,157)	(47,925)
Lease obligation, end of period	166,928	183,189
Current lease obligation	37,962	36,183
Non-current lease obligation	128,966	147,006
Lease obligation, end of period	166,928	183,189

The maturity analysis of the Company's contractual undiscounted lease liabilities as of June 30, 2024, is as follows:

	Total
	\$
Less than one year	49,554
One to two years	50,213
Two to three years	50,873
Three to four years	42,354
	192,994

#### 7. Share capital

##### (a) Common shares

Authorized: 100,000,000 common shares without par value

In 2023, the Company renewed the Normal Course Issuer Bid ("NCIB") for one year, ending March 31, 2024. Under the renewed NCIB program, the Company may repurchase for cancellation up to 3,410,425 common shares, representing approximately 10% of the Company's public float.

In 2023, the Company acquired 1,180,000 common shares. Initially procured at an original cost of \$976,602, these shares were redeemed for a total payment of \$75,998. The variance of \$900,604 between the purchase price and the actual cost was duly documented as a credit to the deficit. 1,174,000 of these common shares were cancelled.

During the six months ending June 30, 2024, the Company renewed the NCIB for one year, ending June 2<sup>nd</sup>, 2025. Under the renewed NCIB program, the Company may repurchase for cancellation up to 3,245,645 common shares, representing approximately 10% of the public float.

# Minco Capital Corp.

## Notes to the Condensed Interim Financial Statements

### For the three and six months ended June 30, 2024 and 2023

(Unaudited, expressed in Canadian dollars, unless otherwise stated)

#### 7. Share capital (continued)

##### (a) Common shares (continued)

During the six months ending June 30, 2024, the Company acquired and cancelled 189,000 common shares with an original cost of \$147,298 for a total payment of \$9,640. The difference of \$137,658 between the purchase price and actual cost was recorded as a credit to retained earnings.

##### (b) Stock options

The Company has implemented a fixed stock option plan, reserving 8,895,976 shares for issuance. The Company's board of directors may grant such options to its directors, officers, employees, and consultants for periods of up to five years, with vesting periods determined at its sole discretion and at prices equal to or greater than the closing market price on the day preceding the date the options are granted. These options are equity-settled.

In 2023, the Company granted stock options to employees, consultants, and directors to purchase 2,700,000 common shares at an exercise price of \$0.055 per common share. These options vest over 18 months from the issue date and will expire five years after issuance if unexercised.

During the six months ended June 30, 2024, the Company did not grant stock options.

The Company's outstanding option continuity is as follows:

	Number outstanding	Weighted average exercise price
	#	\$
Balance, December 31, 2022,	4,390,000	0.14
Expired	(2,190,000)	0.17
Forfeited*	(103,000)	0.12
Grant	2,700,000	0.06
<b>Balance, December 31, 2023 and June 30, 2024</b>	<b>4,797,000</b>	<b>0.08</b>

\*On April 24, 2023, the Company announced the cancellation of 103,000 insider stock options that exceeded the insider limit set by its stock option plan, reducing the number of outstanding options to 4,797,000.

The Company recorded share-based compensation of \$7,172 for the three months ended June 30, 2024, compared to \$31,200 for the same period in 2023. For the six months ended June 30, 2024, the share-based compensation was \$24,027, compared to \$32,821 in 2023.

As of June 30, 2024, \$5,835 (December 31, 2023 - \$24,828) of the total unrecognized compensation cost for unvested options remained.

# Minco Capital Corp.

## Notes to the Condensed Interim Financial Statements

### For the three and six months ended June 30, 2024 and 2023

(Unaudited, expressed in Canadian dollars, unless otherwise stated)

#### 7. Share capital (continued)

A summary of the Company's outstanding options as of June 30, 2024, is as follows:

Options outstanding			Options exercisable		
exercise prices	Number outstanding	Weighted average remaining contractual life (years)	Weighted average exercise price	Number exercisable	Weighted average exercise price
\$	#		\$	#	\$
0.055	2,700,000	3.74	0.055	1,800,000	0.055
0.12	2,097,000	0.83	0.12	2,097,000	0.12
	4,797,000	2.47	0.08	3,897,000	0.09

The Company used the Black-Scholes option pricing model to determine the fair value of the options with the following assumptions:

	2024	2023
Risk-free interest rate	-	2.94%
Dividend yield	-	0%
Volatility	-	104%
Forfeiture rate	-	17%
Estimated expected lives	-	5 years

#### 8. Related party transactions

The following related party transactions were conducted in the normal course of business:

##### a) Key management compensation

The Company's key management comprises its directors and senior executives; their compensation is included in the operating expenses.

The compensation for the critical management during the three and six months ended June 30, 2024, and 2023, is as follows:

	Three months ended June 30,		Six months ended June 30,	
	2024	2023	2024	2023
	\$	\$	\$	\$
Senior management remuneration	29,985	26,250	58,096	55,454
Directors' fees	7,500	5,500	13,000	14,000
Share-based compensation	7,172	31,200	24,027	32,821
Total	44,657	62,950	95,123	102,275

# Minco Capital Corp.

## Notes to the Condensed Interim Financial Statements

### For the three and six months ended June 30, 2024 and 2023

(Unaudited, expressed in Canadian dollars, unless otherwise stated)

#### 8. Related party transactions (continued)

##### b) Investment

Refer to note 5 for the Company's relationships and transactions with its investees, EI Olivar and Minco Silver.

##### c) Other transactions with related parties

The Company, Minco Silver, and HempNova Lifetech Corporation ("HempNova") have common directors and management. As a result, these companies shared certain office rental and administrative expenses.

As of June 30, 2024, the Company's due to/from related parties consists of:

- \$Nil due to Minco Silver (December 31, 2023 – \$150) to shared office expenses reimbursement.
- \$Nil due from Hempnova (December 31, 2023 – \$324) to shared office expenses reimbursement.
- \$8,528 due from a company controlled by the Company's CEO (December 31, 2023 – Due to CEO \$4,694) to expenses reimbursement.

The amounts due from related parties are unsecured, non-interest bearing and payable on demand.

#### 9. Financial instruments and fair value

The following table summarizes the carrying value of financial assets and liabilities on June 30, 2024, and December 31, 2023:

	June 30, 2024	December 31, 2023
	\$	\$
<b>Fair value through profit and loss:</b>		
Investments at fair value	4,576,524	5,127,293
<b>Amortized cost:</b>		
Cash and cash equivalents	365,061	391,301
Short-term investment	420,000	20,000
Receivables	4,949	1,648
Due from related parties	8,528	324
Deposits	13,148	13,148
Accounts payable and accrued liabilities	18,889	42,695
Due to related parties	-	4,844
Lease obligations	166,928	183,189

#### Fair value measurement

As of June 30, 2024, and December 31, 2023, financial instruments not measured at fair value on the balance sheet are represented by cash and cash equivalents, short-term investments, receivables, due from related parties, accounts payable, and accrued liabilities. Due to their short-term nature, the fair values of these financial instruments approximate the carrying value.

Financial assets and liabilities recognized on the balance sheet at fair value can be classified in a hierarchy based on the significance of the inputs used in the measurements. The levels in the hierarchy are:

# Minco Capital Corp.

## Notes to the Condensed Interim Financial Statements

### For the three and six months ended June 30, 2024 and 2023

(Unaudited, expressed in Canadian dollars, unless otherwise stated)

#### 9. Financial instruments and fair value (continued)

Level 1 - quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2 - inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices); and

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

The Company's financial assets measured at fair values through profit or loss are as follows:

June 30, 2024	Level 1	Level 2	Level 3
	\$	\$	\$
Investments at fair value	4,497,029	79,495	-

  

December 31, 2023	Level 1	Level 2	Level 3
	\$	\$	\$
Investments at fair value	5,044,955	82,338	-

The fair value of investments classified as level 2 is reconciled as follows:

	December 31, 2023	Additions	Unrealized loss	June 30, 2024
	\$	\$	\$	\$
Trust units:	82,338	-	(2,843)	79,495

  

	December 31, 2022	Additions	Unrealized gain (loss)	December 31, 2023
	\$	\$	\$	\$
Share purchase warrants:	384,000	-	(384,000)	-
Trust units:	108,736	-	(26,398)	82,338
Convertible debenture:	90,000	(100,000)	10,000	-
	582,736	(100,000)	(400,398)	82,338

The Company uses the Black-Scholes option pricing model to determine the fair value of those shares purchase warrants using assumptions.