



Group Eleven Resources Corp.

Condensed Consolidated Interim Financial Statements

For the Six Months Ended June 30, 2023

Expressed in Canadian Dollars

(Unaudited)

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING CONDENSED CONSOLIDATED INTERIM FINANCIAL REPORTING

The accompanying condensed consolidated interim financial statements of Group Eleven Resources Corp. ("the Company") have been prepared by and are the responsibility of management of the Company. Management acknowledges responsibility for the preparation and presentation of the condensed consolidated interim financial statements, including responsibility for significant accounting estimates and the choice of accounting principles and methods that are appropriate to the Company's circumstances.

NOTICE OF NO AUDITOR REVIEW OF INTERIM FINANCIAL STATEMENTS

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

GROUP ELEVEN RESOURCES CORP.

CONDENSED CONSOLIDATED INTERIM STATEMENTS OF FINANCIAL POSITION

(Unaudited – Expressed in Canadian Dollars)

	Note	June 30, 2023 (\$)	December 31, 2022 (\$)
ASSETS			
Current Assets			
Cash		1,754,511	1,120,804
Prepaid expenses		11,276	27,523
Other receivables		38,243	59,994
Total Current Assets		1,804,030	1,208,321
Non-current assets			
Equipment	3	1,880	3,318
Exploration and evaluation assets	4	8,897,821	8,897,821
Total Assets		10,703,731	10,109,460
LIABILITIES AND EQUITY			
Current Liabilities			
Accounts payable and accrued liabilities	5,11	411,237	349,017
Exploration partner advances	4	362,263	362,589
Government loan payable		40,000	-
Total Current Liabilities		813,500	711,606
Non-Current Liabilities			
Government loan payable	6	-	40,000
Total liabilities		813,500	751,606
Equity			
Share capital	7	21,962,681	20,490,423
Reserves	7	1,189,673	1,035,265
Deficit		(16,171,083)	(15,092,128)
Total Shareholders' Equity		6,981,271	6,433,560
Non-controlling interest	8	2,908,960	2,924,294
Total Equity		9,890,231	9,357,854
Total Liabilities and Equity		10,703,731	10,109,460

Nature and continuance of operations (Note 1)**Subsequent events (Note 13)****On behalf of the Board:**

/s/ Dan MacInnis
Chairman

/s/ Alessandro Bitelli
Director

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

GROUP ELEVEN RESOURCES CORP.

CONDENSED CONSOLIDATED INTERIM STATEMENTS OF LOSS AND COMPREHENSIVE LOSS

(Unaudited – Expressed in Canadian Dollars, unless otherwise stated)

	Note	Three Months Ended June 30,		Six Months Ended June 30,	
		2023	2022	2023	2022
		(\$)	(\$)	(\$)	(\$)
Operating expenses					
Exploration expenditures	4, 11	239,457	453,087	623,042	669,350
Salaries and benefits	11	125,049	119,250	244,717	252,907
Marketing and investor relations		16,055	41,267	39,344	52,651
General and administrative		37,914	32,134	71,727	76,409
Professional Fees	11	75,337	23,756	104,948	31,009
Depreciation	3	258	1,264	1,438	2,529
Foreign exchange (gain) loss		4,696	50,172	(13,182)	101,994
Interest income		(1,518)	(364)	(3,086)	(433)
Share based payments	7, 11	15,175	3,510	30,349	7,020
Total General & Administrative Expense		512,423	724,076	1,099,297	1,193,436
Other					
Write off of accounts payable		5,008	-	5,008	-
Loss and comprehensive loss for the period		(507,415)	(724,076)	(1,094,289)	(1,193,436)
Loss attributable to:					
Shareholders		(504,121)	(654,615)	(1,078,955)	(1,113,418)
Non-controlling interest	8	(3,294)	(69,461)	(15,334)	(80,018)
		(507,415)	(724,076)	(1,094,289)	(1,193,436)
Basic and diluted loss per common shares attributable to shareholders (\$)					
		0.00	0.00	(0.01)	(0.01)
Weighted average number of shares outstanding - basic and diluted (#)					
		164,894,908	158,301,502	161,616,419	152,777,082

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

GROUP ELEVEN RESOURCES CORP.

CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CHANGES IN EQUITY

(Unaudited – Expressed in Canadian Dollars, unless otherwise stated)

	Share Capital		Reserves	Deficit	Total Shareholders' Equity	Non-controlling Interest	Total Equity
	Shares (#)	Amount (\$)					
Balance - December 31, 2021	137,469,836	18,088,060	869,763	(12,690,402)	6,267,421	3,049,244	9,316,665
Shares issued for private placement	20,831,666	2,499,800	-	-	2,499,800	-	2,499,800
Share issuance costs - cash	-	(38,220)	-	-	(38,220)	-	(38,220)
Share issuance costs - agents' warrants	-	(29,217)	29,217	-	-	-	-
Share-base payments	-	-	7,020	-	7,020	-	7,020
Loss for the period	-	-	-	(1,113,418)	(1,113,418)	(80,018)	(1,193,436)
Balance - June 30, 2022	158,301,502	20,520,423	906,000	(13,803,820)	7,622,603	2,969,226	10,591,829
Share issuance costs	-	(30,000)	-	-	(30,000)	-	(30,000)
DSUs issued for debt	-	-	60,000	-	60,000	-	60,000
Share-base payments	-	-	69,265	-	69,265	-	69,265
Loss for the period	-	-	-	(1,288,308)	(1,288,308)	(44,932)	(1,333,240)
Balance - December 31, 2022	158,301,502	20,490,423	1,035,265	(15,092,128)	6,433,560	2,924,294	9,357,854
Shares issued for private placement	16,666,666	1,500,000	-	-	1,500,000	-	1,500,000
Share issuance costs - cash	-	(23,683)	-	-	(23,683)	-	(23,683)
Share issuance costs - agents' warrants	-	(4,059)	4,059	-	-	-	-
DSUs issued for debt	-	-	120,000	-	120,000	-	120,000
Share-base payments	-	-	30,349	-	30,349	-	30,349
Loss for the period	-	-	-	(1,078,955)	(1,078,955)	(15,334)	(1,094,289)
Balance - June 30, 2023	174,968,168	21,962,681	1,189,673	(16,171,083)	6,981,271	2,908,960	9,890,231

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

GROUP ELEVEN RESOURCES CORP.CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CASH FLOWS
(Unaudited – Expressed in Canadian Dollars) – Six Month Period

	June 30, 2023	June 30, 2022
	(\$)	(\$)
CASH FLOW FROM OPERATING ACTIVITIES		
Loss for the period	(1,094,289)	(1,193,436)
Items not affecting cash:		
Depreciation	1,438	2,529
Foreign exchange gain	(326)	(14,098)
Share-based payments	30,349	7,020
Deferred share units issued for debt	120,000	-
Changes in non-cash working capital items:		
Prepaid expenses and deposits	16,247	46,117
Other receivables	21,751	(31,828)
Accounts payable and accrued liabilities	62,220	275,236
Net cash used in operating activities	(842,610)	(908,460)
CASH FLOWS FROM FINANCING ACTIVITIES		
Funds received from private placement	1,500,000	2,499,800
Contributions from non controlling interest	-	132,266
Share issuance costs	(23,683)	(38,220)
Net cash provided by financing activities	1,476,317	2,593,846
Change in cash	633,707	1,685,386
Cash, beginning of period	1,120,804	943,686
Cash, end of period	1,754,511	2,629,072

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

GROUP ELEVEN RESOURCES CORP.

Notes to the Condensed Consolidated Interim Financial Statements

(Expressed in Canadian Dollars, unless otherwise stated)

As at June 30, 2023

1. NATURE AND CONTINUANCE OF OPERATIONS

Group Eleven Resources Corp. (the "Company" or "GERC") was incorporated under the laws of the Province of British Columbia, Canada on November 25, 2016, and its principal business activity is the exploration and evaluation of mineral properties. The Company's corporate office is located at 2200 - 885 W Georgia Street, Vancouver, British Columbia. The Company's common shares are listed on the TSX Venture Exchange ("TSX-V") under the symbol ZNG and on the OTC under the symbol GRLVF.

These condensed consolidated interim financial statements are prepared on a going concern basis which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business for the foreseeable future. The Company has incurred ongoing losses since inception and has no source of recurring revenue. The success of the Company is dependent upon the ability of the Company to obtain necessary financing to continue its exploration and development activities, the confirmation of economically recoverable reserves, and upon establishing future profitable production, or realization of proceeds on disposal.

At June 30, 2023, the Company had working capital (current assets less current liabilities) of \$990,530 (December 31, 2022: working capital \$496,715). During the six-month period ended June 30, 2023 the Company incurred a loss of \$1,094,289 (June 30, 2022: \$1,193,436) and used cash in operating activities of \$842,610 (June 30, 2022: \$908,460).

Management plans to continue to secure the necessary financing, as required, through a combination of equity financing and entering into joint venture arrangements; however, there can be no assurance that the Company will be successful in these actions. These consolidated financial statements do not give effect to adjustments to the carrying values and classification of assets and liabilities that would be necessary should the Company be unable to continue as a going concern. Such adjustments could be material.

There are many external factors that can adversely affect general workforces, economies and financial markets globally. Examples include, but are not limited to, the COVID-19 global pandemic and political conflict in other regions. It is not possible for the Company to predict the duration or magnitude of adverse results of such external factors and their effect on the Company's business or ability to raise funds.

2. SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of Presentation

These condensed consolidated interim financial statements have been prepared in accordance with International Accounting Standard 34, Interim Financial Reporting using the same accounting policies and methods of application as the audited annual consolidated financial statements for the year ended December 31, 2022, which were prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board. Accordingly, certain information and footnote disclosure normally included in annual financial statements have been omitted or condensed.

These condensed consolidated interim financial statements should be read in conjunction with the audited consolidated financial statements of the Company as at and for the year ended December 31, 2022.

On August 10, 2023, the Board of Directors of the Company approved these condensed consolidated interim financial statements for the six months ended June 30, 2023 and 2022.

(b) Basis of Consolidation

These condensed consolidated interim financial statements include the accounts of the Company, its wholly owned subsidiaries, Group Eleven Resources Ltd. ("GERL") and Group Eleven Mining and

GROUP ELEVEN RESOURCES CORP.

Notes to the Condensed Consolidated Interim Financial Statements

(Expressed in Canadian Dollars, unless otherwise stated)

As at June 30, 2023

Exploration Inc. ("GEME"), a 60% interest in Ballinalack Resources Limited ("BRL"), and a 76.56% interest in TILZ Minerals Ltd. ("TILZ"), all incorporated in Dublin, Ireland. All inter-company transactions and accounts have been eliminated upon consolidation. For partially owned subsidiaries, the interest attributable to non-controlling shareholders is reflected in non-controlling interest. Adjustments to non-controlling interest are accounted for as transactions with owners and adjustments that do not involve the loss of control are based on a proportionate amount of the net assets of the subsidiary.

3. EQUIPMENT

	Computer Equipment	Exploration Equipment	Total
	(\$)	(\$)	(\$)
Cost			
Balance, December 31, 2022 and June 30, 2023	8,376	25,294	33,670
Accumulated Depreciation			
Balance, December 31, 2022	6,002	24,350	30,352
Depreciation	494	944	1,438
Balance, June 30, 2023	6,496	25,294	31,790
Net Book Value			
Balance, December 31, 2022	2,374	944	3,318
Balance, June 30, 2023	1,880	-	1,880

4. EXPLORATION AND EVALUATION ASSETS

All of the Company's exploration and evaluation assets are located in Ireland.

	Cumulative to December 31, 2021	Additions during the year	Cumulative to December 31, 2022	Additions during the period	Cumulative to June 30, 2023
	(\$)	(\$)	(\$)	(\$)	(\$)
Acquisition costs					
Exploration and evaluation assets acquired	8,897,821	-	8,897,821	-	8,897,821
Total acquisition costs	8,897,821	-	8,897,821	-	8,897,821

Exploration expenditures	Cumulative to December 31, 2021	Expenditures during the year	Cumulative to December 31, 2022	Expenditures during the period	Cumulative to June 30, 2023
	(\$)	(\$)	(\$)	(\$)	(\$)
Assays	374,224	34,849	409,073	24,692	433,765
Data compilation	965,804	181,214	1,147,018	93,275	1,240,293
Drilling	1,774,841	958,872	2,733,713	392,927	3,126,640
Equipment	473,381	95,123	568,504	525	569,029
Fieldwork	317,395	31,728	349,123	4,449	353,572
Geology consulting	246,202	15,922	262,124	2,996	265,120
Geophysical surveys	626,420	11,751	638,171	1,005	639,176
License fees	308,864	69,657	378,521	53,810	432,331
Technical supervision	292,224	65,636	357,860	21,453	379,313
Travel and accommodation	-	54,075	54,075	27,910	81,985
Total exploration expenditures	5,379,355	1,518,827	6,898,182	623,042	7,521,224

In February 2022, Arkle Resources PLC, through its subsidiary Limerick Zinc Limited (which subsidiary has a 23.44% interest in TILZ), advanced €98,215 (\$141,871) to fund future exploration at the Stonepark project. Additionally, the Company has remaining €152,573 (\$220,392) received from Shenzhen Zhongjin Lingnan Nonfemet Company Limited ("Nonfemet") to fund exploration at the

GROUP ELEVEN RESOURCES CORP.

Notes to the Condensed Consolidated Interim Financial Statements

(Expressed in Canadian Dollars, unless otherwise stated)

As at June 30, 2023

Ballinalack project.

5. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	June 30, 2023	December 31, 2022
	(\$)	(\$)
Accounts payable	372,081	123,404
Accrued liabilities	39,156	225,613
Accounts payable and accrued liabilities	411,237	349,017

6. GOVERNMENT LOAN PAYABLE

In May 2020, the Company received from the federal government of Canada a loan of \$40,000, under the Canada Emergency Business Account ("CEBA") program (the "Loan"). Pursuant to the terms of the Loan, if the Loan was fully repaid by December 31, 2022 (the "Forgiveness Date"), \$10,000 of the Loan would be forgiven. If the loan was not fully paid back by December 31, 2022, the loan would incur 5% interest during the remaining term of the loan ending on December 31, 2025, the date by which the loan was to be fully repaid.

During the year ended December 31, 2022, the Government extended the Forgiveness Date by one year, such that the Company has until December 31, 2023 to repay the Loan and receive the forgiven amount of \$10,000. If the Loan is not fully paid back by December 31, 2023, the Loan will incur 5% interest during the remaining term of the loan ending on December 31, 2025, the date by which the loan is to be fully repaid.

7. SHARE CAPITAL

a) *Share capital*

Authorized: an unlimited number of common shares with no par value.

Issued: 174,968,168 common shares.

On May 26, 2023, the company closed a private placement, pursuant to which the Company issued 16,666,666 units ("Units") at a price of \$0.09 per unit for gross proceeds of \$1,500,000. Each unit consists of one common share of the Company ("Share") and one half of one non-transferable common share purchase warrant ("Warrant"), with each full Warrant exercisable to purchase one Share at a price of \$0.15 per Share until May 26, 2026. In connection with the private placement, the Company issued finders' warrants allowing for the purchase of up to, in the aggregate, 102,600 Shares at \$0.15 per Share until May 26, 2026 and paid cash commissions of \$9,234 to certain arm's-length finders. The Broker Warrants were valued in the aggregate at \$4,059 using the Black-Scholes Option Pricing Model and the following assumptions:

Risk-free interest rate (%)	3.83
Expected stock price volatility (%)	1.05
Expected dividend yield (%)	Nil
Expected life (years)	3
Weighted average fair value per warrant issued (\$)	0.15

On February 23, 2022, the Company closed a non-brokered private placement of 20,831,666 units at a subscription price of \$0.12 per unit, for total proceeds of \$2,499,800. Each unit consisted of one common share and one half non-transferrable common share purchase warrant. Each warrant entitles the holder thereof to purchase one additional common share in the capital of the Company at \$0.18 per common share for 24 months from the date of issue. The Company

GROUP ELEVEN RESOURCES CORP.

Notes to the Condensed Consolidated Interim Financial Statements

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As at June 30, 2023

paid \$68,220 in finders fees and issued 568,500 non-transferable warrants ("Broker Warrants"). Each Broker Warrant entitles a holder to purchase one common share at a price of \$0.18 per common share for 24 months from the date of issue. The Broker Warrants were valued in the aggregate at \$29,217 using the Black-Scholes Option Pricing Model and the following assumptions:

Risk-free interest rate (%)	1.57
Expected stock price volatility (%)	89.0
Expected dividend yield (%)	Nil
Expected life (years)	2.0
Weighted average fair value per warrant issued (\$)	0.05

b) Stock options

In connection with the vesting of previously granted stock options, the Company recognized a share-based expense of \$30,349 during the six months ended June 30, 2023 (2022: \$7,020).

As at June 30, 2023, the Company had stock options outstanding as follows:

Expiry Date (date)	Number of options (#)	Number of options exercisable (#)	Exercise Price (\$/share)	Weighted Average Life (Years)
September 6, 2023	1,825,000	1,825,000	0.200	0.19
October 2, 2025	1,385,000	1,385,000	0.090	2.26
September 13, 2027	1,585,000	528,333	0.100	4.21
	4,795,000	3,738,333		2.12

A summary of the changes in the Company's stock options follows:

	Number of options (#)	Weighted Average Exercise Price (\$)
Balance - December 31, 2021	4,750,000	0.160
Granted	1,585,000	0.100
Forfeited	(850,000)	0.153
Expired	(390,000)	0.080
Balance - December 31, 2022	5,095,000	0.151
Expired	(300,000)	0.400
Balance - June 30, 2023	4,795,000	0.135

c) Restricted Share Units (RSU)

On July 2, 2019, the Company adopted an RSU plan for directors, officers, employees and consultants of the Company. Under the terms of the plan, each vested RSU awarded entitles the RSU holder to receive, subject to adjustment as provided for in the RSU Plan, either one common share in the Company or, at the Company's option, an equivalent cash payment. The RSUs are considered equity settled. RSUs will vest over a period of up to three years from the date of grant. The Company has reserved 2,000,000 common shares for issuance under the RSU Plan, subject to the total RSUs granted not exceeding, when aggregated with all other security-based

GROUP ELEVEN RESOURCES CORP.

Notes to the Condensed Consolidated Interim Financial Statements

(Expressed in Canadian Dollars, unless otherwise stated)

As at June 30, 2023

compensation arrangements of the Company, 10% of the issued shares of the Company. The Company did not grant any RSU's for the six months ended June 30, 2023.

RSUs are measured at fair value on the date of grant based on the closing price of the Company's shares on the date prior to the grant and are recognized as share-based compensation expense on a straight-line basis over the vesting period. The corresponding amount is recorded to the share-based payment reserve. Upon the exercise of RSUs, the related share-based payment reserve is transferred to share capital.

d) Deferred Share Units (DSU)

On July 2, 2019, the Board amended the terms of the DSU Plan. Under the terms of the amended DSU Plan, each vested DSU awarded entitles the DSU holder to receive, subject to adjustment as provided for in the DSU Plan, either one common share in the Company or, at the option of the Company, an equivalent cash payment. Shares eligible for issuance under the DSU Plan will be subject to the total DSUs granted not exceeding, when aggregated with all other security-based compensation arrangements of the Company, 10% of the issued shares of the Company.

For the purposes of the DSU Plan, the value of the DSU on the grant date is the market price, being the five-day volume weighted average price of the common shares immediately preceding the grant date. If the common shares are not trading on the TSX-V, then the Market Value shall be determined in the same manner based on the trading price on such stock exchange or over-the-counter market on which the common shares are listed and posted for trading as may be selected for such purpose by the Board.

On September 13, 2022, the Company granted 600,000 DSUs in settlement of \$60,000 owing to directors for services provided during 2021. On June 7, 2023, the Company granted 1,714,284 DSUs in settlement of \$120,000 owing to directors for services provided during 2020 and 2022.

As at June 30, 2023, the Company had DSUs outstanding as follows:

Grant Date (date)	Number of shares (#)
May 1, 2019	500,000
October 2, 2020	666,666
September 13, 2022	600,000
June 7, 2023	1,714,284
	3,480,950

GROUP ELEVEN RESOURCES CORP.

Notes to the Condensed Consolidated Interim Financial Statements
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As at June 30, 2023

A summary of the changes in the Company's DSUs follows:

	DSUs (#)
Balance - December 31, 2021	1,166,666
Granted	600,000
Balance - December 31, 2022	1,766,666
Granted	1,714,284
Balance - June 30, 2023	3,480,950

e) *Warrants*

Warrant transactions are summarized as follows:

	Number of warrants (#)	Weighted Average Exercise Price (\$/share)
Balance, December 31, 2021	25,835,110	0.13
Issued – Private Placement	10,415,835	0.18
Issued – Broker	568,500	0.18
Expired	(4,200,000)	0.24
Balance, December 31, 2022	32,619,445	0.13
Expired	(7,823,686)	0.10
Issued – Private Placement	8,333,333	0.15
Issued – Broker	102,600	0.15
Balance, June 30, 2023	33,231,692	0.15

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

Expiry Date (date)	Number of warrants (#)	Exercise Price (\$/share)	Weighted Average Life (Years)
July 2, 2023	500,000	0.100	0.01
July 28, 2023	12,916,667 ⁽¹⁾	0.120	0.08
July 28, 2023	394,757	0.120	0.08
February 18, 2024	10,984,335	0.180	0.64
May 26, 2026	8,435,933	0.150	2.91
	33,231,692		0.98

⁽¹⁾ On July 19, 2023, the expiry date of these warrants was extended to October 28, 2024.

GROUP ELEVEN RESOURCES CORP.

Notes to the Condensed Consolidated Interim Financial Statements

(Expressed in Canadian Dollars, unless otherwise stated)

As at June 30, 2023

8. NON-CONTROLLING INTEREST

	Ballinalack Resources Limited	TILZ Minerals Ltd.	Total
	(\$)	(\$)	(\$)
Non-controlling interest, December 31, 2021	2,398,586	650,658	3,049,244
Share of loss	(7,365)	(117,585)	(124,950)
Non-controlling interest, December 31, 2022	2,391,221	533,073	2,924,294
Share of loss	(1,155)	(14,179)	(15,334)
Non-controlling interest, June 30, 2023	2,390,066	518,894	2,908,960

The following table presents the non-controlling interest as June 30, 2023 and December 31, 2022. The information below is before inter-company eliminations.

As at June 30, 2023	Ballinalack Resources Limited	TILZ Minerals Ltd.	Total
	40%	23.44%	
	(\$)	(\$)	(\$)
Non-controlling interest percentage			
Assets			
Current	88,744	45,635	134,379
Non-current	6,086,296	2,811,525	8,897,821
	6,175,040	2,857,160	9,032,200
Liabilities			
Current	240,603	683,890	924,493
	240,603	683,890	924,493
Net Assets	5,934,437	2,173,270	8,107,707
Non-controlling interest	2,390,066	518,894	2,908,960

As at December 31, 2022	Ballinalack Resources Limited	TILZ Minerals Ltd.	Total
	40%	23.44%	
	(\$)	(\$)	(\$)
Non-controlling interest percentage			
Assets			
Current	89,064	216,475	305,539
Non-current	6,086,296	2,811,525	8,897,821
	6,175,360	3,028,000	9,203,360
Liabilities			
Current	238,196	814,205	1,052,401
	238,196	814,205	1,052,401
Net Assets	5,937,164	2,213,795	8,150,959
Non-controlling interest	2,391,221	533,073	2,924,294

The following table presents the loss and comprehensive loss attributable to non-controlling interest:

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(Expressed in Canadian Dollars, unless otherwise stated)

As at June 30, 2023

	Six months ended June 30,	
	2023	2022
	(\$)	(\$)
Loss and comprehensive loss for the period	1,964,286	1,193,436
Loss attributable to non-controlling interest		
Ballinalack Resources Limited	1,155	94
TILZ Minerals Ltd.	14,179	79,924
	15,334	80,018

9. CAPITAL MANAGEMENT

The Company's objective when managing capital is to safeguard the entity's ability to continue as a going concern. The Company monitors its adjusted capital which comprises all components of equity. The Company manages and adjusts its capital structure based on current economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may issue common shares through private placements. The Company is not exposed to any externally imposed capital requirements. No changes were made to the Company's capital management practices during the six months ended June 30, 2023.

10. FINANCIAL RISK MANAGEMENT

The Company is exposed to a variety of risks related to financial instruments. The Board approves and monitors the risk management processes. The principal types of risk exposure and the way in which they are managed are as follows:

Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations when they become due. As at June 30, 2023 the Company had working capital of \$990,530 (December 31, 2022: working capital \$496,715). Management believes that the Company has sufficient financial resources to meet its obligations as they come due.

Foreign exchange risk

The Company's functional currency is the Canadian dollar. There is a foreign exchange risk to the Company as its exploration and evaluation property interests and resulting future commitments are located in Ireland. The Euro translation rate has experienced volatility over the last several years as a result of monetary policies adopted by the European Central Bank. Management monitors its foreign currency balances and makes adjustments based on anticipated need for currencies. The Company has a policy of not engaging in hedging activities to address this foreign currency risk. At June 30, 2023, the Company had Euro denominated current assets of €699,398 and Euro denominated current liabilities of €503,194. Accordingly, a 10% change in the foreign exchange rate would result in a \$28,342 credit or charge to operations.

Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate due to changes in market interest rates. The Company is currently not exposed to any interest rate risk as cash is held in a non-interest bearing account and the Company does not hold any interest bearing liabilities.

Commodity price risk

While the value of the Company's exploration and evaluation assets is related to the price of zinc and other minerals, the Company currently does not have any operating mines and hence does not have any hedging or other commodity-based risks with respect to its operational activities. Zinc and other mineral prices have historically fluctuated widely and are affected by numerous factors outside

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of the Company's control, including, but not limited to, the perception of market participants about the price and future price prospects for zinc, changes in manufacturing and construction activity as well as other industrial demands, levels of worldwide production, and forward sales by producers and speculators.

Fair value

Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values. The three levels of the fair value hierarchy are:

- Level 1 - Unadjusted quoted prices in active markets for identical assets or liabilities;
- Level 2 - Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly; and
- Level 3 - Inputs that are not based on observable market data.

The fair value of the Company's other receivables and accounts payable and accrued liabilities approximates their carrying value because of the short-term nature of the financial instruments. The Company's cash is measured at fair value using Level 1 inputs.

11. RELATED PARTY BALANCES AND TRANSACTIONS

The key management personnel include those persons having authority and responsibility for planning, directing, and controlling the activities of the Company as a whole. The Company has determined that key management personnel consist of executive and non-executive members of the Company's Board of Directors and corporate officers.

Their remuneration includes the following:

	Six Months Ended June 30,	
	2023	2022
	(\$)	(\$)
Salaries and benefits	181,578	222,664
Professional fees	58,500	23,716
Share-based payments	86,164	7,022
Total	326,242	253,402

For the six months ended June 30, 2023, \$21,610 (2022: \$39,049) of salaries and benefits were recorded in exploration and evaluation expenses. At June 30, 2023 accounts payable and accrued liabilities include \$Nil (2022: \$140,000) payable to directors of the Company.

12. SEGMENT INFORMATION

Reportable segments are those operations whose operating results are reviewed by the chief executive officer, being the individual at the Company making decisions about resources to be allocated to a particular segment, and assessing performance provided those operations pass certain quantitative thresholds.

The Company undertakes administrative activities in Canada, and is engaged in the acquisition, exploration, and evaluation of certain mineral property interests in Ireland. Accordingly, the Company's operations are in one commercial and two geographic segments. The Company's

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Equipment (Note 3) and Exploration and Evaluation Assets (Note 4) are held by the Company in Ireland. The remaining assets, including cash and cash equivalents, prepaids and receivables, reside in both of the Company's two geographic locations. The Company is not exposed to significant operating risks as a consequence of the concentration of its assets in Ireland.

13. SUBSEQUENT EVENTS

- Warrants allowing for the acquisition of shares in the capital of the Company expired as follows:

Expiry date (date)	Number of warrants (#)	Exercise price (\$/share)
July 2, 2023	500,000	0.100
July 28, 2023	394,757	0.120
	894,757	

- On July 19, 2023, the expiry date of warrants allowing for the purchase of up to, in the aggregate, 12,916,667 shares in the capital of the Company, was extended from July 28, 2023 to October 28, 2024.