

Interim Condensed Consolidated Financial Statements of

EARTHLABS



June 30, 2024
(Unaudited - Prepared in Canadian dollars)

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EARTHLABS INC.

Interim Condensed Consolidated Statements of Financial Position

As at June 30, 2024 and December 31, 2023

(Unaudited - prepared in Canadian dollars)

	Notes	June 30, 2024	December 31, 2023
Assets			
Current			
Cash and cash equivalents	7	\$ 4,356,101	\$ 5,227,657
Due from brokers		856,684	485,949
Accounts receivable, net of expected credit losses (ECL)	4, 23(a)	385,395	120,253
Investments, at fair value	5, 23(b)	37,039,330	35,091,151
Equity investment	6, 15(c)	2,121,841	2,138,352
Sales tax recoverable		70,398	57,241
Income tax receivable		219,557	854,023
Prepays	8	244,257	272,792
		45,293,563	44,247,418
Property, equipment and right-of-use assets	9	1,224,968	1,252,737
Intangible assets	10	2,948,799	3,127,000
Goodwill	11	624,290	624,290
		\$ 50,091,620	\$ 49,251,445
Liabilities and Equity			
Current			
Accounts payable and accrued liabilities	15(f)	\$ 1,281,849	\$ 1,287,021
Sales tax payable		99,824	40,874
Deferred revenue	12	2,471,214	1,921,102
Lease liabilities	13	132,347	123,382
Promissory note	3	263,884	254,513
		4,249,118	3,626,892
Promissory note	3	753,208	726,458
Deferred tax liabilities	14	612,730	204,690
Non-current lease liabilities	13	963,023	1,031,772
		6,578,079	5,589,812
Equity			
Share capital	16	46,484,758	46,426,591
Contributed surplus	16(b)	5,948,078	5,797,766
Deficit		(8,919,295)	(8,562,724)
		43,513,541	43,661,633
		\$ 50,091,620	\$ 49,251,445

Commitments and contingencies

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

EARTHLABS INC.**Interim Condensed Consolidated Statements of Income (Loss) and Comprehensive Income (Loss)****Three And Six Months Ended June 30,****(Unaudited - prepared in Canadian dollars)**

		Three Months Ended June 30,		Six Months Ended June 30,	
	Notes	2024	2023	2024	2023
Revenue					
Advertising		\$ 1,444,784	\$ 298,320	\$ 2,860,470	\$ 1,088,814
Subscriptions		300,734	212,772	604,607	433,023
Sales of exploration maps		40,378	51,189	105,081	139,499
Net investment gains (losses)	18	(427,144)	(693,821)	2,883,228	2,734,954
Other income	15(b), 19	198,982	259,237	477,228	500,751
		1,557,734	127,697	6,930,614	4,897,041
Expenses					
Operating, general and administrative	15(a), 20	2,689,917	1,983,138	5,323,266	3,721,748
Research and development		870,219	441,473	1,590,005	852,019
Finance expenses	3, 13	36,675	4,617	73,786	9,697
		3,596,811	2,429,228	6,987,057	4,583,464
Loss from equity investment	6	(1,671)	(29,731)	(16,511)	(76,033)
Income (loss) before income taxes		(2,040,748)	(2,331,262)	(72,954)	237,544
Income tax expense (recovery)	14	(78,291)	(530,122)	283,617	(227,247)
Net income (loss) and comprehensive income (loss) for the period		\$ (1,962,457)	\$ (1,801,140)	\$ (356,571)	\$ 464,791
Earnings (loss) per common share for the period					
Basic	16(c)	\$ (0.01)	\$ (0.01)	\$ (0.00)	\$ 0.00
Diluted		\$ (0.01)	\$ (0.01)	\$ (0.00)	\$ 0.00
Weighted average number of common shares outstanding					
Basic	16(c)	137,443,472	137,388,527	137,415,999	137,227,643
Diluted	16(c)	137,443,472	137,388,527	137,415,999	137,668,297

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

EARTHLABS INC.**Interim Condensed Consolidated Statements of Changes in Equity****Six Months Ended June 30,****(Unaudited - prepared in Canadian dollars)**

	Notes	Number of shares	Share capital	Contributed surplus	Warrants	Retained earnings (deficit)	Total equity
Balance at December 31, 2022		136,555,193	\$ 46,148,258	\$ 3,845,559	\$ 41,051	\$ 8,060,959	\$ 58,095,827
Net income and comprehensive income for the period		-	-	-	-	464,791	464,791
Issued pursuant to exercise of options	16(b)	833,334	278,333	(128,333)	-	-	150,000
Reallocation of expired warrants		-	-	41,051	(41,051)	-	-
Stock-based compensation expense	16(b)	-	-	220,230	-	-	220,230
Balance at June 30, 2023		137,388,527	\$ 46,426,591	\$ 3,978,507	\$ -	\$ 8,525,750	\$ 58,930,848
<hr/>							
Balance at December 31, 2023		137,388,527	\$ 46,426,591	\$ 5,797,766	\$ -	\$ (8,562,724)	\$ 43,661,633
Net loss and comprehensive loss for the period		-	-	-	-	(356,571)	(356,571)
Issued pursuant to exercise of options	16(b)	166,666	58,167	(24,834)	-	-	33,333
Stock-based compensation expense	16(b)	-	-	175,146	-	-	175,146
Balance at June 30, 2024		137,555,193	\$ 46,484,758	\$ 5,948,078	\$ -	\$ (8,919,295)	\$ 43,513,541

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

EARTHLABS INC.

Interim Condensed Consolidated Statements of Cash Flows

Six Months Ended June 30,

(Unaudited - prepared in Canadian dollars)

	Notes	2024	2023
Cash flows used in operating activities			
Net income (loss) for the period		\$ (356,571)	\$ 464,791
Items not affecting cash			
Net investment gains	18	(2,883,228)	(2,734,954)
Loss from equity investment	6	16,511	76,033
Non-cash interest expense		18,095	-
Stock-based compensation expense	16(b)	175,146	220,230
Amortization and depreciation		285,294	601,932
Provision for expected credit losses		88,023	77,417
Finance expense		73,786	9,697
Deferred tax expense		408,040	230,420
		(2,174,904)	(1,054,434)
Changes in non-cash working capital balances			
Proceeds on disposition of investments		5,721,984	4,904,649
Purchases of investments		(4,786,935)	(14,570,402)
Decrease (increase) in due from brokers		(370,735)	2,302,667
Increase in accounts receivable, net of expected credit losses (ECL)		(353,165)	(8,883)
Increase in sales tax recoverable		(13,157)	(96,057)
Decrease (increase) in income tax receivable		634,466	(506,010)
Decrease in prepaids		28,535	31,982
Decrease in accounts payable and accrued liabilities		(5,172)	(277,289)
Increase (decrease) in sales tax payable		58,950	(392,507)
Increase in deferred revenue		550,112	67,778
Decrease in income tax payable		-	(1,017,408)
		(710,021)	(10,615,914)
Cash flows from (used in) financing activities			
Proceeds pursuant to exercise of options		33,333	150,000
Principal payments of lease liabilities, including deposit	13	(115,544)	(34,569)
		(82,211)	115,431
Cash flows used in investing activities			
Purchases of property and equipment	9	(79,324)	(17,612)
Purchases of internal generated intangible assets	10	-	(174,700)
		(79,324)	(192,312)
Net decrease in cash and cash equivalents during the period		(871,556)	(10,692,795)
Cash and cash equivalents, beginning of period		5,227,657	25,346,049
Cash and cash equivalents, end of period		\$ 4,356,101	\$ 14,653,254

Supplemental cash flow information

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

EARTHLABS INC.

Notes to the Interim Condensed Consolidated Financial Statements

June 30, 2024

(Unaudited - Prepared in Canadian dollars)

1. Nature of business:

EarthLabs Inc. ("EarthLabs" or the "Company") was incorporated under the *Canada Business Corporations Act* on May 1, 2017. On February 21, 2019, the Company commenced trading on the TSX Venture Exchange ("TSXV") under the symbol "SPOT". The Company also trades on the OTCQX Best Market under the symbol "SPOFF" and on the Frankfurt Stock Exchange under the symbol "8EK0". The Company's head office is at 69 Yonge Street, Suite 200, Toronto, Ontario, M5E 1K3.

EarthLabs is a mining investment, technology and media company that aims to provide strategic leverage to the metals and mining sector through investments, royalties and a full suite of data-driven media SaaS tools and services.

These interim condensed consolidated financial statements were approved for issuance by the Company's board of directors on August 9, 2024.

2. Basis of preparation:

(a) Statement of compliance:

These interim condensed consolidated financial statements are unaudited and have been prepared on a condensed basis in accordance with International Accounting Standard 34, *Interim Financial Reporting*, issued by the International Accounting Standards Board and interpretations of the International Financial Reporting Interpretations Committee using accounting policies consistent with International Financial Reporting Standards ("IFRS").

These interim condensed consolidated financial statements for the three and six months ended June 30, 2024 and 2023 should be read together with the annual financial statements as at and for the year ended December 31, 2023. The same material accounting policies and methods of computation were followed in the preparation of these interim condensed consolidated financial statements as were followed in the preparation of and as described in note 3 of the annual consolidated financial statements as at and for the year ended December 31, 2023.

Effective on January 1, 2024, the Company adopted amendments to IAS 1, *Presentation of Financial Statements*, the amendments to IAS 1 clarify the impact of loan arrangement covenants on the classification of liabilities as current or non-current at the reporting date. The amendments are effective for annual reporting periods beginning on or after January 1, 2024. The adoption of these amendments did not have any impact on the Company's interim condensed consolidated financial statements.

Effective on January 1, 2024, the Company adopted amendments to IFRS 16, *Leases*, the amendments to IFRS 16 adds subsequent measurement requirements for sale and lease back transactions for seller-lessees. The amendments are effective for annual reporting periods beginning on or after January 1, 2024. The adoption of these amendments did not have any impact on the Company's interim condensed consolidated financial statements.

EARTHLABS INC.

Notes to the Interim Condensed Consolidated Financial Statements

June 30, 2024

(Unaudited - Prepared in Canadian dollars)

2. Basis of preparation (continued):

(b) Basis of presentation:

These interim condensed consolidated financial statements have been prepared using the historical cost convention except for certain financial instruments which have been measured at fair value. All monetary references expressed in these notes are references to Canadian dollar amounts ("\$/").

(c) Basis of consolidation:

These interim condensed consolidated financial statements include the financial statements of EarthLabs and its wholly-owned operating subsidiaries, CEO.CA Technologies Ltd. ("CEO.CA"), EarthLabs Media Inc. ("ELM") (formerly Resource Quantamental Corp.), DigiGeoData Inc. ("DigiGeoData"), and Chairman Ventures Inc. (formerly 14101634 Canada Inc.).

On December 1, 2023, ELM acquired 100% of The Northern Miner Group (see Note 3). The operating results, cashflows and net assets of these subsidiaries have been consolidated in the Company's consolidated financial statements from the date of acquisition.

(d) Equity investment:

The Company accounts for equity investments using the equity method. Under the equity method, the Company's investment in an associate is initially recognized at cost and is subsequently increased or decreased to recognize the Company's share of earnings or losses of the associate, and for impairment losses after the initial recognition date. The Company's share of an associate's losses that are in excess of its investment in the associate are recognized only to the extent that the Company has incurred legal or constructive obligations or made payments on behalf of the associate. The Company's share of earnings or losses of associates are recognized through net income or loss during the year. Cash distributions received from an associate are accounted for as a reduction in the carrying amount of the Company's investment in the associate.

At the end of each reporting period, the Company assesses whether there is any objective evidence that an investment in an associate is impaired. Objective evidence includes observable data indicating that there is a measurable decrease in the estimated future cash flows of the associate's operations. When there is objective evidence that an investment in an associate is impaired, the carrying amount of such investment is compared to its recoverable amount, being the greater of its fair value less costs of disposal and value in use (i.e., present value of its future cash flows).

EARTHLABS INC.

Notes to the Interim Condensed Consolidated Financial Statements

June 30, 2024

(Unaudited - Prepared in Canadian dollars)

2. Basis of preparation (continued):

If the recoverable amount of an investment in an associate is less than its carrying amount, then an impairment loss is recognized in that period. When an impairment loss reverses in a subsequent period, the carrying amount of the investment in an associate is increased to the revised estimate of the recoverable amount to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had an impairment loss not been previously recognized. A reversal of an impairment loss is recognized through net income or loss in the period in which the reversal occurs.

As at June 30, 2024, the Company holds a 27.5% (December 31, 2023 – 27.5%) interest in Golden Planet Mining Corp. ("GPM"), has representation on its board and has shared management. Thus, the Company has significant influence over GPM. Golden Planet Mining Corp has a December 31 year-end, which is the same year-end as the Company. See Note 6 and 15(c).

(e) Critical accounting judgments, estimates and assumptions:

The preparation of these interim condensed consolidated financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the reported amounts of assets, liabilities and contingent liabilities at the date of the interim condensed consolidated financial statements and the reported amounts of revenue and expenses during the reporting period.

Estimates and assumptions are continuously evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Uncertainty about these judgments, estimates and assumptions could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability affected in future periods.

The information about significant areas of estimation uncertainty and judgment considered by management in preparing the interim condensed consolidated financial statements were the same as those in the preparation of the annual consolidated financial statements as at and for the year ended December 31, 2023.

3. Acquisition of The Northern Miner Group:

On December 1, 2023, the Company acquired certain assets from Glacier RIG Ltd. (a wholly-owned subsidiary of Glacier Media Inc.), The Northern Miner Group ("TNM Group"), a leading group of mining media brands including The Northern Miner ("TNM"), Canadian Mining Journal ("CMJ") and MINING.COM. The consideration for the acquisition of the TNM Group consisted of the aggregate cash payment of \$4,000,000, subject to working capital adjustments. The cash payment comprised of (i) an initial deposit of \$200,000 paid upon signing of the Definitive Agreement; (ii) a cash payment equal to \$2,300,000 payable at the time of closing; and (iii) a promissory note in the aggregate principal amount of \$1,500,000 payable over two years and which is secured by a general security agreement against the assets of EarthLabs.

EARTHLABS INC.**Notes to the Interim Condensed Consolidated Financial Statements****June 30, 2024****(Unaudited - Prepared in Canadian dollars)**

3. Acquisition of The Northern Miner Group (continued):

In connection with the acquisition, (i) the parties entered into a transition services agreement which provides for a timely and efficient transfer of the TNM, CMJ and MINING.COM operations; and (ii) Glacier RIG Ltd executed a non-competition and non-solicitation agreement with EarthLabs. There was no finder's fees associated with the acquisition and the Company did not assume any material debt from Glacier RIG Ltd.

As at December 1, 2023, the Company has a promissory note due to Glacier RIG Ltd. totaling \$1,039,724 (fair value of \$975,076), net of working capital adjustments. The promissory note was fair valued at an effective discount rate of 7.5%. The promissory note is payable over two years and bears interest at a rate of 3.5% per annum, payable annually. As at June 30, 2024, the carrying-value of the promissory note was \$1,017,092 (December 31, 2023 - \$980,971). For the three and six months ended June 30, 2024, the Company recorded accrued interest expense of \$9,048 and \$18,096 (three and six months ended June 30, 2023 – Nil), respectively, and a finance accretion expense of \$9,176 and \$18,026, respectively, in the interim condensed consolidated statements of income (loss) and comprehensive income (loss).

The transaction was accounted for as a business combination using the acquisition method of accounting under the provision of IFRS 3 – Business Combination, as the operations of TNM Group meet the definition of a business. As the transaction was accounted for as a business combination, transaction costs were expensed. The net assets acquired and liabilities assumed are recorded at fair value. The goodwill resulting from the allocation of the purchase price to the total fair value of net assets will represent the sales and growth potential of TNM Group.

At acquisition date on December 1, 2023, the Company has allocated the purchase price as follows:

Consideration		
Cash consideration	\$	2,500,000
Fair value of net promissory note		975,076
Total consideration	\$	3,475,076
Net assets acquired		
Prepaid expenses	\$	49,845
Property and equipment		11,063
Accrued liabilities		(164,913)
Deferred revenue		(195,209)
Intangible assets		3,150,000
Net assets at fair value, as at December 1, 2023	\$	2,850,786
Goodwill	\$	624,290

The goodwill generated as a result of this acquisition relates to other intangible assets such as workforce and synergies that do not qualify for separate recognition. No goodwill for TNM Group acquisition is expected to be deductible for tax purposes.

EARTHLABS INC.

Notes to the Interim Condensed Consolidated Financial Statements

June 30, 2024

(Unaudited - Prepared in Canadian dollars)

3. Acquisition of The Northern Miner Group (continued):

The intangible assets acquired comprises of the trade name/brand of \$1,330,000, developed technology with a fair value of \$60,000 and customer relationships with a fair value of \$1,760,000.

The fair values were determined using a discounted cash flow analysis with the following assumptions:

Assumptions	Trade name/ brand	Intangible assets	
		Developed technology	Customer relationships
Discount rate	12.0%	11.5%	11.5%-12.0%
% revenue associated	17.5%-61.0%	100.0%	65.0%
Pre-tax royalty rate	3.0%-5.0%	1.0%	n/a
Life of the intangible asset	Indefinite	5 years	1.25-15 years
Customer attrition rate	n/a	n/a	20.0%
Income tax rate	26.5%	26.5%	26.5%

Had the acquisition occurred on January 1, 2023, the Company's revenue for the three and six months ended June 30, 2023 would have been higher by \$728,117 and \$1,630,668, respectively.

4. Accounts receivable, net of expected credit losses:

Accounts receivable primarily consists of receivables relating to advertising services, subscriptions and sales of digital maps. Accounts receivable, net of expected credit losses consist of the following as at June 30, 2024 and December 31, 2023 (See Note 23(a)):

	June 30, 2024	December 31, 2023
Accounts receivable	\$ 628,990	\$ 275,825
Expected credit loss provision	(243,595)	(155,572)
	\$ 385,395	\$ 120,253

5. Investments, at fair value and financial instruments hierarchy:

(a) The fair value and cost of investments, at fair value are as follows as at June 30, 2024 and December 31, 2023:

	Fair Value	Cost
June 30, 2024	\$ 37,039,330	\$ 32,403,824
December 31, 2023	\$ 35,091,151	\$ 32,870,183

(b) As at June 30, 2024, included in investments, at fair value were securities of private companies with a fair value totaling \$9,861,543 (cost of \$7,994,604) (December 31, 2023 – \$9,028,586 and cost of \$9,602,304) measured in accordance with the Company's accounting policy for private company investments.

EARTHLABS INC.**Notes to the Interim Condensed Consolidated Financial Statements****June 30, 2024****(Unaudited - Prepared in Canadian dollars)**

5. Investments at fair value and financial instruments hierarchy (continued):**(c) Financial instruments hierarchy:**

The fair value measurements use a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The level in the hierarchy within which the fair value measurement is categorized is determined on the basis of the lowest level input that is significant to the fair value measurement in its entirety.

The fair value hierarchy has the following levels:

- (i) Quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1).
- (ii) 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) (Level 2).
- (iii) Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (Level 3).

For financial instruments that are recognized at fair value on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period. Investments which are in Level 3 and become public issuers during the period are transferred to Level 1 or 2.

The following table presents the Company's investments, measured at fair value and categorized into levels of the fair value hierarchy on the consolidated statements of financial position as at June 30, 2024 and December 31, 2023:

	Level 1	Level 2	Level 3	
	Quoted market price	Valuation technique – observable market	Valuation technique – non-observable market inputs	Total
Investments, at fair value				
June 30, 2024	\$ 19,115,891	\$ 8,061,896	\$ 9,861,543	\$ 37,039,330
December 31, 2023	\$ 18,695,232	\$ 7,367,333	\$ 9,028,586	\$ 35,091,151

Level 2 includes warrants of public issuers and common stock of public issuers, whose resale is currently restricted. These securities typically have a 120-day hold period and are valued by applying a discount against the price of the unrestricted public stock price. Once the restriction has elapsed, these securities will become Level 1 securities.

EARTHLABS INC.**Notes to the Interim Condensed Consolidated Financial Statements****June 30, 2024****(Unaudited - Prepared in Canadian dollars)**

5. Investments at fair value and financial instruments hierarchy (continued):

The following table presents the changes in fair value measurements of financial instruments classified as Level 3 for the six months ended June 30, 2024 and year ended December 31, 2023. These financial instruments are measured at fair value utilizing non-observable market inputs based on specific company information and general market conditions. The net change in unrealized gains (losses) are recognized in the interim condensed consolidated statements of income (loss) and comprehensive income (loss).

	Opening balance at January 1,	Purchases	Transfer to Level 1 or 2	Net unrealized gains (losses)	Ending balance
June 30, 2024	\$ 9,028,586	\$ 392,300	\$ (1,120,000)	\$ 1,560,657	\$ 9,861,543
December 31, 2023	\$ 3,162,783	\$ 7,116,568	\$ (550,000)	\$ (700,765)	\$ 9,028,586

Investments which are in Level 3 and become public issuers during the period are transferred to Level 1 or 2. These represents the only type of transfer between Levels during the reporting periods.

Significant unobservable inputs used in the fair value measurement of Level 3 investments were:

	Fair value at June 30, 2024	Valuation technique	Unobservable input	% of Investments	Sensitivity to changes in significant unobservable inputs (%)
Unlisted private equities	\$ 392,300	New investment	Recent acquisition price	1.1	Recent transaction price
Unlisted private equities	9,153,793	Recent transaction calibration	Recent transaction calibration	24.7	Recent transaction price – market trends
Unlisted warrants	315,450	Black Scholes valuation model	Market prices, volatility, discount rate	0.8	133.8% volatility
	\$ 9,861,543			26.6	

EARTHLABS INC.

Notes to the Interim Condensed Consolidated Financial Statements

June 30, 2024

(Unaudited - Prepared in Canadian dollars)

5. Investments at fair value and financial instruments hierarchy (continued):

	Fair value at December 31, 2023	Valuation technique	Unobservable input	% of Investments	Sensitivity to changes in significant unobservable
Unlisted private equities	\$ 5,524,033	New investment	Recent acquisition price	15.7	Recent transaction price
Unlisted private equities	3,037,553	Recent transaction calibration	Recent transaction calibration	8.7	Recent transaction price – market trends
Unlisted warrants	467,000	Black Scholes valuation model	Market prices, volatility, discount rate	1.3	138.5% volatility
	\$ 9,028,586			25.7	

For investments valued based on trends in comparable publicly traded companies, general market conditions and specific company information, the inputs used can be highly judgmental. A +/- 25% change on the fair value of this investment will result in a corresponding +/- \$2,465,386 (December 31, 2023 - \$2,257,147) change in the total fair value of the investments.

While this illustrates the overall effect of changing the values of the unobservable inputs by a set percentage, the significance of the impact and the range of reasonably possible alternative assumptions may differ significantly between investments, given their different terms and circumstances. The sensitivity analysis is intended to reflect the uncertainty inherent in the valuation of these investments under current market conditions, and its results cannot be extrapolated due to non-linear effects that changes in valuation assumptions may have on the fair value of this investment.

Furthermore, the analysis does not indicate a probability of such changes occurring and it does not necessarily represent the Company's view of expected future changes in the fair value of this investment. Any management actions that may be taken to mitigate the inherent risks are not reflected in this analysis.

6. Equity investment:

On June 30, 2024 and December 31, 2023, the Company owned 18,047,186 common shares (27.5% on a non-diluted basis) of Golden Planet Mining Corp. ("GPM"), has representation on its board and has one shared management member. Thus, the Company has significant influence over GPM and equity accounts its investment in GPM. Golden Planet Mining Corp has a December 31 year-end, which is the same year-end as the Company. See Note 15(c).

As at June 30, 2024 and December 31, 2023, the Company determined that there were no indicators of impairment on the equity investment in GPM.

EARTHLABS INC.**Notes to the Interim Condensed Consolidated Financial Statements****June 30, 2024****(Unaudited - Prepared in Canadian dollars)****6. Equity investment (continued):**

The following is a summary of the financial information of GPM (100%):

	June 30, 2024	December 31, 2023
Cash and cash equivalents	\$ 6,450,034	\$ 6,478,205
Other current assets	8,626	18,997
Non-current assets	1,296,857	1,326,857
Current liabilities	(14,030)	(22,578)
Net assets	\$ 7,741,487	\$ 7,801,481

Interim Condensed Consolidated statements of loss and comprehensive loss highlights for the three and six months ended June 30, 2024 and 2023:

	Three months ended June 30,		Six months ended June 30,	
	2024	2023	2024	2023
Amortization and depreciation	\$ -	\$ -	\$ -	\$ 635
Stock-based compensation expense	-	31,308	-	31,308
Other expenses	71,982	138,241	191,943	341,803
Total net loss	71,982	169,549	191,943	373,746
Other comprehensive income	65,911	61,514	131,949	97,464
Total net loss and comprehensive loss	\$ 6,071	\$ 108,035	\$ 59,994	\$ 276,282

The following table reconciles the summarized financial information to the carrying amount of EarthLabs's interest in GPM:

	June 30, 2024	December 31, 2023
Opening net assets - GPM	\$ 7,801,481	\$ 8,160,885
Net change in share capital and reserves - GPM	-	31,307
Total net loss and comprehensive loss - GPM	(59,994)	(390,711)
Closing net assets - GPM	\$ 7,741,487	\$ 7,801,481
EarthLabs's ownership	27.52%	27.52%
EarthLabs's share of closing net assets	\$ 2,130,457	\$ 2,146,968
Goodwill relating to investment in GPM	(8,616)	(8,616)
Carrying amount in the consolidated statements of financial position	\$ 2,121,841	\$ 2,138,352

The following is a summary of the Company's investment in GPM:

	GPM
Equity investment as at December 31, 2022	\$ 2,245,876
EarthLabs's share of loss for the period	(76,033)
Equity investment as at June 30, 2023	\$ 2,169,843
Equity investment as at December 31, 2023	\$ 2,138,352
EarthLabs's share of loss for the period	(16,511)
Equity investment at June 30, 2024	\$ 2,121,841

EARTHLABS INC.**Notes to the Interim Condensed Consolidated Financial Statements****June 30, 2024****(Unaudited - Prepared in Canadian dollars)**

7. Financial assets and (liabilities) other than investments at fair value:

Financial assets and liabilities other than investments at fair value are as follows as at June 30, 2024 and December 31, 2023:

	June 30, 2024	December 31, 2023
Cash and cash equivalents	\$ 4,356,101	\$ 5,227,657
Due from brokers	856,684	485,949
Accounts receivable, net of expected credit losses	385,395	120,253
Accounts payable and accrued liabilities	(1,281,849)	(1,287,021)
Promissory note	(1,017,092)	(980,971)
	\$ 3,299,239	\$ 3,565,867

The carrying values of cash and cash equivalents, due from brokers, accounts receivable, net of expected credit losses, accounts payable and accrued liabilities approximate their fair values due to the short term to maturity for these instruments. Promissory note is recorded at amortized cost.

Cash and cash equivalents consist of the following as at June 30, 2024 and December 31, 2023:

	June 30, 2024	December 31, 2023
Cash	\$ 645,116	\$ 135,578
Cash equivalents	3,710,985	5,092,079
	\$ 4,356,101	\$ 5,227,657

As at June 30, 2024 and December 31, 2023, cash equivalents were comprised of Guarantee Investment Certificates and money market funds which are cashable at any time.

8. Prepaids:

Prepaids consist of the following as at June 30, 2024 and December 31, 2023:

	June 30, 2024	December 31, 2023
Software subscriptions and licenses	\$ 96,753	\$ 151,249
Conferences and marketing	82,335	66,011
Insurance	42,571	18,702
Stock exchange listing fees	17,810	34,973
Other	4,788	1,857
	\$ 244,257	\$ 272,792

EARTHLABS INC.**Notes to the Interim Condensed Consolidated Financial Statements****June 30, 2024****(Unaudited - Prepared in Canadian dollars)****9. Property, equipment and right-of-use assets:**

Property, equipment and right-of-use assets are as follows as at June 30, 2024 and December 31, 2023:

Cost	Furniture and fixtures	Computer equipment	Right-of-use assets	Leasehold improvements	Total
Balance – December 31, 2022	\$ 1,350	\$ 4,023	\$ 215,661	\$ -	\$ 221,034
Additions	6,328	46,190	1,104,704	33,067	1,190,289
Dispositions/remeasurement	-	-	(107,548)	-	(107,548)
Balance – December 31, 2023	\$ 7,678	\$ 50,213	\$ 1,212,817	\$ 33,067	\$ 1,303,775
Additions	45,178	34,146	-	-	79,324
Balance – June 30, 2024	\$ 52,856	\$ 84,359	\$ 1,212,817	\$ 33,067	\$ 1,383,099

Accumulated Depreciation	Furniture and fixtures	Computer equipment	Right-of-use assets	Leasehold improvements	Total
Balance – December 31, 2022	\$ 22	\$ 75	\$ 74,693	\$ -	\$ 74,790
Depreciation	388	8,313	65,389	394	74,484
Dispositions	-	-	(98,236)	-	(98,236)
Balance – December 31, 2023	\$ 410	\$ 8,388	\$ 41,846	\$ 394	\$ 51,038
Depreciation	4,437	11,017	89,277	2,362	107,093
Balance – June 30, 2024	\$ 4,847	\$ 19,405	\$ 131,123	\$ 2,756	\$ 158,131

Carrying Value	Furniture and fixtures	Computer equipment	Right-of-use assets	Leasehold improvements	Total
Balance – December 31, 2023	\$ 7,268	\$ 41,825	\$ 1,170,971	\$ 32,673	\$ 1,252,737
Balance – June 30, 2024	\$ 48,009	\$ 64,954	\$ 1,081,694	\$ 30,311	\$ 1,224,968

Depreciation expenses related to property, equipment and right-of-use assets for the three and six months ended June 30, 2024 was \$55,046 and \$107,093 respectively (three and six months ended June 30, 2023 - \$16,673 and \$31,418, respectively).

10. Intangible assets:

A continuity of intangible assets are as follows for the six months ended June 30, 2024 and year ended December 31, 2023:

Cost	Technology	Trade name/Brand	Customer relationships	Total
Balance – December 31, 2022	\$ 7,348,000	\$ 1,969,000	\$ 180,000	\$ 9,497,000
Acquisition of the Northern Miner Group	60,000	1,330,000	1,760,000	3,150,000
Additions - internal generated	360,571	-	-	360,571
Impairment loss	(7,708,571)	(1,969,000)	(180,000)	(9,857,571)
Balance – December 31, 2023 and June 30, 2024	\$ 60,000	\$1,330,000	\$1,760,000	\$ 3,150,000

EARTHLABS INC.

Notes to the Interim Condensed Consolidated Financial Statements

June 30, 2024

(Unaudited - Prepared in Canadian dollars)

10. Intangible assets (continued):

Accumulated amortization	Technology	Trade name/Brand	Customer relationships	Total
Balance – December 31, 2022	\$ 1,187,635	\$ 158,861	\$ 45,000	\$ 1,391,496
Amortization	980,659	131,267	58,000	1,169,926
Impairment loss	(2,167,294)	(290,128)	(81,000)	(2,538,422)
Balance – December 31, 2023	\$ 1,000	\$ -	\$ 22,000	\$ 23,000
Amortization	6,000	-	172,201	178,201
Balance – June 30, 2024	\$ 7,000	\$ -	\$ 194,201	\$ 201,201

Carrying Value	Technology	Trade name/Brand	Customer relationships	Total
Balance – December 31, 2023	\$ 59,000	\$ 1,330,000	\$ 1,738,000	\$ 3,127,000
Balance – June 30, 2024	\$ 53,000	\$1,330,000	\$1,565,799	\$ 2,948,799

Amortization expenses related to intangible assets for the three and six months ended June 30, 2024 was \$70,504 and \$178,201 respectively (three and six months ended June 30, 2023 - \$286,002 and \$570,514, respectively).

11. Goodwill:

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

	DigiGeoData	The Northern Miner Group	Total
Balance – December 31, 2022	\$ 2,210,980	\$ -	\$ 2,210,980
Additions	-	624,290	624,290
Impairment loss	(2,210,980)	-	(2,210,980)
Balance – December 31, 2023 and June 30, 2024	\$ -	\$ 624,290	\$ 624,290

12. Deferred revenue:

Deferred revenues are recognized in connection with advertising and subscription revenues and sale of exploration maps. Executive advertising revenues earned through CEO.CA are recognized based on the number of digital advertising impressions provided as a percentage of the total number of impressions promised within the contract. Executive advertising contracts are 6 months in length. There may be differences between the timing of collections and the number of digital advertising impressions provided at period end. The Company also recognizes revenues earned in connection with the sale of digital advertising packages, subscriptions, post-contract customer support services and ad hoc service and training rateably over the service term specified in the revenue contracts. These service terms range anywhere between one month to one year. There may be differences between the timing of collections and the completion of the respective performance obligations at period end.

EARTHLABS INC.**Notes to the Interim Condensed Consolidated Financial Statements****June 30, 2024****(Unaudited - Prepared in Canadian dollars)**

12. Deferred revenue (continued):

Where amounts collected from customers exceed revenue recognized, the difference is recorded as deferred revenue.

The following table summarizes the changes in the Company's deferred revenue during the six months ended June 30, 2024 and year ended December 31, 2023:

	June 30, 2024	December 31, 2023
Deferred revenue, at beginning of the period	\$ 1,921,102	\$ 1,004,440
Amounts billed	2,683,554	3,214,682
Additions - acquisition of The Northern Miner Group	-	195,209
Revenue recognized	(2,133,442)	(2,493,229)
Deferred revenue, at end of the period	\$ 2,471,214	\$ 1,921,102

As at June 30, 2024, deferred revenue was \$2,471,214 (December 31, 2023 - \$1,921,102) and the Company expects that a majority of the deferred revenue will be recognized in fiscal 2024.

13. Lease liabilities:

In November 2020, the Company signed a lease for premises in Toronto, Ontario which started on December 1, 2020 for annual payments of \$42,900 plus operating costs and applicable taxes until April 30, 2024. In December 2023, the Company signed a lease for new premises in Toronto, Ontario, which replaced the Company's current Toronto lease and commenced on December 1, 2023 for annual payments of approximately \$203,994 (increasing by 2% each year) plus applicable taxes until November 30, 2030. In August 2022, the Company signed a lease for premises in Montreal, Quebec, which started August 1, 2022 for annual payments of approximately \$21,239 (increased by the CPI rate each year) plus applicable taxes until July 31, 2027.

The following table summarizes the changes in the Company's lease liabilities during the six months ended June 30, 2024 and year ended December 31, 2023:

	Lease liabilities
Balance – December 31, 2022	\$ 139,509
Additions	1,104,704
Termination of lease	(7,018)
Repayments	(93,696)
Remeasurement of lease	(5,441)
Finance expense	17,096
Balance – December 31, 2023	\$ 1,155,154
Repayments	(115,544)
Finance expense	55,760
Balance - June 30, 2024	\$ 1,095,370

EARTHLABS INC.

Notes to the Interim Condensed Consolidated Financial Statements

June 30, 2024

(Unaudited - Prepared in Canadian dollars)

13. Lease liabilities (continued):

	June 30, 2024	December 31, 2023
Current lease liabilities	\$ 132,347	\$ 123,382
Non-current lease liabilities	963,023	1,031,772
Total lease liabilities	\$ 1,095,370	\$ 1,155,154

As at June 30, 2024, future minimum annual lease payments under operating leases for premises are approximately as follows:

2024	\$ 109,246
2025	236,678
2026	241,694
2027	234,112
2028	221,178
2029	225,601
2030	210,586
Prepaid rent deposits	(21,500)
Total lease obligations	1,457,595
Discount at effective interest rate of 9%-15%	(362,225)
Net lease liabilities, as at June 30, 2024	1,095,370
Non-current lease liabilities as at June 30, 2024	(963,023)
Current lease liabilities as at June 30, 2024	\$ 132,347

14. Income tax expense (recovery) and deferred tax liabilities:

For the three and six months ended June 30, 2024, the Company has calculated the provision for income taxes by applying the discrete effective tax rate method based on actual income and loss for the period. The effective tax rate for the three and six months ended June 30, 2024 was 3.8% and -388.8%, respectively (three and six months ended June 30, 2023 – 22.7 and -95.7%, respectively). The Company's income tax expense (recovery) differs from the amount that would be computed by applying the combined federal and provincial income tax rates (23.0%-26.5%) primarily due to investments held on capital account, non-deductible stock compensation, and valuation allowances on certain deferred tax assets in subsidiaries.

15. Related party transactions:

All transactions with related parties have occurred in the normal course of operations.

- (a) During the three and six months ended June 30, 2024 and 2023, key management personnel are defined as those individuals having authority and responsibility for planning, directing, and controlling the activities of the Company. EarthLabs considers Denis Laviolette, its Executive Chairman and Chief Executive Officer ("EC&CEO"), Vincent Dube-Bourgeois, its President and Director ("President"), Binh Quach, its Chief Financial Officer and Corporate

EARTHLABS INC.**Notes to the Interim Condensed Consolidated Financial Statements****June 30, 2024****(Unaudited - Prepared in Canadian dollars)**

15. Related party transactions (continued):

Secretary ("CFO"), Cejay Kim, its Chief Business Officer, and Mathew Wilson, its Chief Investment Officer ("CIO") to be its key management personnel, in addition to its board of directors.

Compensation of key management is included in the interim condensed statements of income (loss) and comprehensive income (loss) for the three and six months ended June 30:

	Three months ended		Six months ended	
	June 30,		June 30,	
	2024	2023	2024	2023
Salaries and consulting fees	\$ 281,250	\$ 581,250	\$ 562,500	\$ 862,500
Directors fees	20,000	55,750	40,000	117,625
Stock-based compensation expense	19,239	29,017	47,941	99,417
Employee benefits	4,492	5,034	9,415	8,748
	\$ 324,981	\$ 671,051	\$ 659,856	\$ 1,088,290

- (b) During the three and six months ended June 30, 2024, the Company recorded consulting revenue of \$4,500 and \$9,000, respectively, (three and six months ended June 30, 2023 - \$4,500 and \$20,614, respectively) from New Found Gold Corp ("NFGC"), a mineral exploration company trading on the TSX Venture Exchange under the symbol "NFG". As at June 30, 2024, the Company also has an investment in NFGC with a fair value of \$6,148,594 (December 31, 2023 - \$8,826,300). The Company's EC&CEO is also a director and President of NFGC.
- (c) As at June 30, 2024, the Company also has an equity investment in Golden Planet Mining Corp. of \$2,121,841 (December 31, 2023 - \$2,138,352). The Company's EC&CEO is also a director and CEO of GPM. See Note 6.
- (d) As at June 30, 2024, the Company has an investment in Sterling Metals Corp. ("Sterling"), a mineral exploration company trading on the TSX Venture Exchange under the symbol "SAG" of \$400,500 (December 31, 2023 - \$461,500). The Company's CIO is also a director and CEO of Sterling.
- (e) As at June 30, 2024, the Company has an investment in Kirkland Lake Discoveries Corp. ("KLDC") (formerly Warrior Gold Inc.), a mineral exploration company trading on the TSX Venture Exchange under the symbol "KLDC", with a carrying fair value of \$595,485 (December 31, 2023 - \$1,168,475). The Company's CEO and President who are directors of the Company are also directors of KLDC. The address of KLDC's corporate office and principal place of business is 25 Adelaide Street East, Suite 1400, Toronto, Ontario, Canada, M5C 3A1. As at June 30, 2024 and December 31, 2023, the Company owns less than 10% of KLDC's outstanding shares.

EARTHLABS INC.

Notes to the Interim Condensed Consolidated Financial Statements

June 30, 2024

(Unaudited - Prepared in Canadian dollars)

15. Related party transactions (continued):

- (f) During both the three and six months ended June 30, 2024, the Company recorded other revenue of \$1,625 (three and six months ended June 30, 2023 - \$Nil) from Harfang Exploration Inc. ("Harfang"), a mineral exploration company trading on the TSX Venture Exchange under the symbol "HAR". As at June 30, 2024, the Company didn't have an investment in HAR (December 31, 2023 – fair value of \$88,000). The Company's President is also a director of Harfang.
- (g) As at June 30, 2024, included in accounts payable and accrued liabilities is \$nil (December 31, 2023 - \$5,667) due to the officers of the Company, relating to reimbursement of expenses.
- (h) On September 8, 2023, the Company granted 8,550,000 options to directors and officers of the Company, exercisable at \$0.20 per share and expiring on September 8, 2028.

16. Equity:

- (a) Authorized: unlimited number of common shares (no par value).
- (b) Stock options:

On September 8, 2023, the Company granted 13,400,000 stock options to directors, officers, employees and consultants of the Company, exercisable at \$0.20 per share expiring on September 8, 2028.

On December 15, 2023, the Company granted 889,600 stock options to employees of the Company, exercisable at \$0.20 per share expiring on December 15, 2028.

The fair value of the options granted on September 8, 2023 and December 15, 2023 was estimated at the date of grant using the Black-Scholes option valuation model with the following assumptions:

Black-Scholes option valuation model assumptions used (weighted average)	
Expected volatility	94.8%-96.5%
Expected dividend yield	0%
Risk-free interest rate	3.24%-3.96%
Expected option life in years	5 years
Expected forfeiture rate	0%
Fair value per stock option granted on September 8, 2023	\$ 0.149
Fair value per stock option granted on December 15, 2023	\$ 0.147

The expected volatility is based on the historical volatility of comparable companies over the life of the options. The Company has not paid any cash dividends historically and has no plans to pay cash dividends in the foreseeable future. The risk-free interest rate is based on the yield of Canadian Benchmark Bonds with equivalent terms. The expected option life in years represents the period of time that options granted are expected to be outstanding based on the vesting dates.

EARTHLABS INC.

Notes to the Interim Condensed Consolidated Financial Statements

June 30, 2024

(Unaudited - Prepared in Canadian dollars)

16. Equity (continued):

For the three months ended June 30, 2024, included in the interim condensed consolidated statements of income (loss) and comprehensive income (loss) is stock-based compensation expense of \$66,684 (three months ended June 30, 2023 - \$86,840) relating to the stock options granted to directors, officers, employees and consultants of the Company.

For the six months ended June 30, 2024, included in the interim condensed consolidated statements of income (loss) and comprehensive income (loss) is stock-based compensation expense of \$175,146 (six months ended June 30, 2023 - \$220,230) relating to the stock options granted to directors, officers, employees and consultants of the Company.

A summary of the status of the Company's stock options as at June 30, 2024 and 2023 and changes during the periods then ended is presented below:

	June 30, 2024		June 30, 2023	
		Weighted average exercise price		Weighted average exercise price
Stock options	# of options		# of options	
Outstanding, at beginning of period	20,172,799	\$ 0.24	12,687,727	\$ 0.40
Granted	-	-	-	-
Exercised	(166,666)	0.20	(833,334)	0.18
Cancelled/forfeited	(375,000)	0.23	(5,937,860)	0.48
Outstanding, at end of period	19,631,133	\$ 0.24	5,916,533	\$ 0.34
Exercisable, at end of period	16,958,193	\$ 0.25	5,156,529	\$ 0.32

As at June 30, 2024, the weighted average remaining life of the stock options was 3.5 years (June 30, 2023 – 2.7 years).

The following table summarizes information about stock options outstanding and exercisable as at June 30, 2024:

Number of options outstanding	Number of options exercisable	Exercise price	Expiry date
1,861,533	1,861,533	\$ 0.24	February 1, 2025
1,500,000	1,500,000	0.18	July 15, 2025
275,000	275,000	0.68	April 27, 2026
25,000	25,000	0.73	January 31, 2027
2,205,000	2,205,000	0.485	May 31, 2027
12,875,000	11,091,660	0.20	September 8, 2028
889,600	-	0.20	December 15, 2028
19,631,133	16,958,193		

EARTHLABS INC.**Notes to the Interim Condensed Consolidated Financial Statements****June 30, 2024****(Unaudited - Prepared in Canadian dollars)****16. Equity (continued):**

- (c) Basic and diluted earnings per common share based on net income (loss) for the three and six months ended June 30:

	Three months ended June 30,		Six months ended June 30,	
Numerator:	2024	2023	2024	2023
Net income (loss) for the period	\$ (1,962,457)	\$ (1,801,140)	\$ (356,571)	\$ 464,791

	Three months ended June 30,		Six months ended June 30,	
Denominator:	2024	2023	2024	2023
Weighted average number of common shares outstanding – basic	137,443,472	137,388,527	137,415,999	137,227,643
Weighted average effect of diluted stock options and warrants (i)	-	-	-	440,654
Weighted average number of common shares outstanding – diluted	137,443,472	137,388,527	137,415,999	137,668,297

	Three months ended June 30,		Six months ended June 30,	
Earnings (loss) per common share based	2024	2023	2024	2023
Basic	\$ (0.01)	\$ (0.01)	\$ (0.00)	\$ 0.00
Diluted	\$ (0.01)	\$ (0.01)	\$ (0.00)	\$ 0.00

- (i) The determination of the weighted average number of common shares outstanding – diluted excludes 19,631,333 shares related to stock options that were anti-dilutive for the three and six months ended June 30, 2024 (three and six months ended June 30, 2023 – 5,916,533 shares and 4,416,533 shares, respectively).
- (d) Maximum share dilution:

The following table presents the maximum number of shares that would be outstanding if all outstanding convertible securities were exercised as at June 30, 2024 and 2023:

	June 30, 2024	June 30, 2023
Common shares outstanding	137,555,193	137,388,527
Stock options to purchase common shares	19,631,133	5,916,533
Fully diluted common shares outstanding	157,186,326	143,305,060

EARTHLABS INC.**Notes to the Interim Condensed Consolidated Financial Statements****June 30, 2024****(Unaudited - Prepared in Canadian dollars)**

17. Segmented information:

The management of the Company is responsible for the Company's sales and considers the business to have one operating segment: Financial Technology Division which includes the Company's financial and media technology (CEO.CA, EarthLabs Media and DigiGeoData) and growing investment portfolio.

The Company measures each reportable operating segment's performance based on revenue and segment operating income, which is the profit metric utilized by the Company's management, for assessing the performance of operating segments. The Company has a single reportable geographic segment, Canada, and all of the Company's assets and equipment are located in Canada. The Company's operating segments are not reliant on any single external customer.

The internal reporting provided to the management of the Company's assets, liabilities, and performance is prepared consistently with the measurement and recognition principles of IFRS. The intercompany sales and advances have been eliminated in the interim condensed consolidated financial statements. The Company does not report total assets or total liabilities based on its reportable operating segments.

18. Net investment gains (losses):

Net investment gains (losses) comprises of the following for the three and six months ended June 30:

	Three months ended June 30,		Six months ended June 30,	
	2024	2023	2024	2023
Net realized gains (losses) on disposal of on investments	\$ (82,829)	\$ (79,564)	\$ 468,690	\$ (763,519)
Net change in unrealized gains (losses) on investments	(344,315)	(614,257)	2,414,538	3,498,473
	\$ (427,144)	\$ (693,821)	\$ 2,883,228	\$ 2,734,954

19. Other income:

Other income comprises of the following for the three and six months ended June 30:

	Three months ended June 30,		Six months ended June 30,	
	2024	2023	2024	2023
Other sales	\$ 68,163	\$ 10,921	\$ 272,386	\$ 53,201
Interest income	50,898	225,336	109,218	389,320
Grants and subsidies	64,326	-	64,326	-
Consulting income and other	15,595	4,500	31,278	20,614
Dividend income	-	18,480	20	37,616
	\$ 198,982	\$ 259,237	\$ 477,228	\$ 500,751

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20. Expenses by nature:

Included in operating, general, and administrative expenses for the three and six months ended June 30 are the following expenses:

	Notes	Three months ended June 30,		Six months ended June 30,	
		2024	2023	2024	2023
Salaries and consulting fees	15(a)	\$1,366,314	\$ 907,493	\$ 2,785,192	\$ 1,471,019
Software licensing fees		345,381	185,182	647,441	380,011
Other office and general		228,106	61,349	432,726	125,077
Amortization and depreciation	9, 10	125,550	302,675	285,294	601,932
Professional fees		149,135	127,142	256,020	314,347
Travel and promotion		125,826	41,941	248,806	110,577
Other employee benefits		117,665	48,461	248,225	107,005
Stock-based compensation expense	15(a), 16(b)	66,684	86,840	175,146	220,230
Shareholder relations and filing fees		55,304	14,840	92,855	72,785
Provision for ECLs	4, 24(a)	64,993	82,831	88,023	77,417
Directors' fees	15(a)	20,000	55,750	40,000	117,625
Brokerage fees and transaction costs		20,560	37,051	37,379	68,375
Operating lease payments		549	16,301	1,152	32,838
Foreign exchange expense (gain)		3,850	15,282	(14,993)	22,510
		\$2,689,917	\$1,983,138	\$ 5,323,266	\$ 3,721,748

21. Supplemental disclosure of cash flow information:

The following table shows the supplemental cash flow information for the six months ended June 30:

	2024	2023
Income taxes paid	\$ -	\$ 1,065,778
Interest paid	21,228	7,042

22. Management of capital:

There were no changes in the Company's approach to capital management during the six months ended June 30, 2024. The Company manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Company may borrow from its shareholders or raise additional funds. The Company considers its capital to include total equity which amounts to \$43,513,541 on June 30, 2024 (December 31, \$43,661,633). The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern, so that it can provide returns for shareholders.

Since inception, the Company has not declared any cash dividends to its shareholders as part of its capital management program. The Company's current capital resources are sufficient to discharge its current liabilities as at June 30, 2024.

EARTHLABS INC.**Notes to the Interim Condensed Consolidated Financial Statements****June 30, 2024****(Unaudited - Prepared in Canadian dollars)**

23. Financial instruments and financial risk management:*Financial instruments*

The carrying amounts of accounts receivable, net of ECL, accounts payable and accrued liabilities, and current lease liabilities approximate their fair value due to their short periods to maturity. Promissory note is recorded at amortized cost.

Financial risk management

The Company has exposure to credit risk, market risk, liquidity risk, and currency risk associated with its financial assets and liabilities.

There were no significant or material changes to the Company's risk management during the six months ended June 30, 2024. A discussion of the Company's use of financial instruments and other associated risks is as follows.

(a) Credit risk:

Credit risk is the risk that the counterparty to a financial instrument will fail to discharge an obligation or commitment that it has entered into with the Company.

Financial instruments which potentially subject the Company to concentrations of credit risk consist of cash and cash equivalents, due from brokers and accounts receivable. All funds in cash are held in financial institutions that have a credit rating above AA and the Company believes the risk of loss to be remote. The Company has accounts receivable from mining and exploration companies.

The Company's credit risk arises from the possibility that a counterparty which owes the Company money is unable or unwilling to meet its obligations in accordance with the terms and conditions in the contracts with the Company, which would result in a financial loss to the Company. These specific mining and exploration companies may be affected by economic factors and government factors which may impact accounts receivable. Management does not believe that a single industry or geographic region represents significant credit risk. This risk is mitigated through established credit management techniques, including monitoring counterparty creditworthiness, setting exposure limits and monitoring exposure against these customer credit limits.

The maximum exposure to credit risk is the carrying amount of the Company's cash and cash equivalents, due from brokers and accounts receivable, net of ECLs which total \$5,598,180 as at June 30, 2024 (December 31, 2023 - \$5,833,859).

EARTHLABS INC.

Notes to the Interim Condensed Consolidated Financial Statements

June 30, 2024

(Unaudited - Prepared in Canadian dollars)

23. Financial instruments and financial risk management (continued):

An aging of accounts receivable, net of expected credit losses are as follows as at June 30, 2024 and December 31, 2023:

	June 30, 2024	December 31, 2023
Accounts receivable aging		
0-30 days	\$ 247,181	\$ 109,568
31-60 days	62,403	572
61-90 days	75,811	-
Greater than 90 days	243,595	165,685
	\$ 628,990	\$ 275,825
Expected credit loss provision	(243,595)	(155,572)
Accounts receivable, net of expected credit losses	\$ 385,395	\$ 120,253

The movement in the expected credit loss provision can be reconciled as follows as at June 30, 2024 and December 31, 2023:

	June 30, 2024	December 31, 2023
Expected credit loss provision:		
Expected credit loss provision, beginning balance	\$ (155,572)	\$ (107,641)
Provision recorded during the period	(88,023)	(47,931)
Expected credit loss provision, ending balance	\$ (243,595)	\$ (155,572)

The following default rates are used to calculate the expected credit loss provision on accounts receivable as at June 30, 2024:

	Total	0-30 days	31-60 days	61-90 days	Greater than 90 days
Default rates		0%	0%	0%	100%
Accounts receivable	\$ 628,990	\$ 247,181	\$ 62,403	\$ 75,811	\$ 243,595
Expected credit loss provisions	\$ 243,595	\$ -	\$ -	\$ -	\$ 243,595

The following default rates are used to calculate the expected credit loss provision on accounts receivable as at December 31, 2023:

	Total	0-30 days	31-60 days	61-90 days	Greater than 90 days
Default rates		0%	0%	0%	94%
Accounts receivable	\$ 275,825	\$ 109,568	\$ 572	\$ -	\$ 165,685
Expected credit loss provisions	\$ 155,572	\$ -	\$ -	\$ -	\$ 155,572

The Company does not have collateral to any of its receivable balances.

EARTHLABS INC.**Notes to the Interim Condensed Consolidated Financial Statements****June 30, 2024****(Unaudited - Prepared in Canadian dollars)**

23. Financial instruments and financial risk management (continued):**(b) Market risk:**

Market risk is the risk that the fair value of future cash flows from the Company's financial instruments will significantly fluctuate because of changes in market prices. The value of the financial instruments can be affected by changes in interest rates, foreign exchange rates, and equity and commodity prices. The Company is exposed to market risk in trading its investments and unfavourable market conditions could result in dispositions of investments at less than favourable prices. Additionally, the Company adjusts its investments to fair value at the end of each reporting period. This process could result in significant write-downs of the Company's investments over one or more reporting periods, particularly during periods of overall market instability, which would have a significant unfavourable effect on the Company's financial position.

As at June 30, 2024 and December 31, 2023, the Company held foreign denominated investments as follows, therefore, market risk also includes currency risk.

Fair value of investments in Canadian dollars		
denominated in:	June 30, 2024	December 31, 2023
Australian dollars	\$ 1,745,745	\$ 907,200
Great British pounds	172,500	471,000
U.S dollars	893,616	872,092
	\$ 2,811,861	\$ 2,250,292

There were no changes in the way the Company manages market risk during the six months ended June 30, 2024.

The following table shows the estimated sensitivity of the Company's after-tax net loss for the three and six months ended June 30, 2024 from a change in the fair value price of the Company's investments with all other variables held constant as at June 30, 2024:

	Decrease in after-tax net loss from % increase in closing trade price	Increase in after-tax net loss from % decrease in closing trade price
Percentage of change in closing trade price		
2%	\$ 642,632	\$ (642,632)
4%	1,285,265	(1,285,265)
6%	1,927,897	(1,927,897)
8%	2,570,530	(2,570,530)
10%	3,213,162	(3,213,162)

EARTHLABS INC.

Notes to the Interim Condensed Consolidated Financial Statements

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(Unaudited - Prepared in Canadian dollars)

23. Financial instruments and financial risk management (continued):

The following table shows the estimated sensitivity of the Company's after-tax net income (loss) for the three and six months ended June 30, 2023 from a change in the fair value price of the Company's investments with all other variables held constant as at June 30, 2023:

Percentage of change in closing trade price	Increase in after-tax net income from % increase in closing trade price	Decrease in after-tax net income from % decrease in closing trade price
2%	\$ 592,934	\$ (592,934)
4%	1,185,868	(1,185,868)
6%	1,778,802	(1,778,802)
8%	2,371,736	(2,371,736)
10%	2,964,670	(2,964,670)

(c) Liquidity risk:

Liquidity risk is the risk that the Company will not have sufficient cash resources to meet its financial obligations as they become due. The Company's management is responsible for reviewing liquidity resources to ensure funds are available to meet financial obligations as they become due, as well as ensuring funds exist to support business strategies and operating growth.

There were no changes to the way that the Company manages liquidity risk during the six months ended June 30, 2024. The Company's accounts payable and accrued liabilities are due within less than 1 year as at June 30, 2024 and December 31, 2023. The Company's cash and cash equivalents balance is sufficient to meet the Company's current liabilities.

The following table shows the Company's liabilities and potential due dates related to liquidity risk as at June 30, 2024:

Liabilities and obligations	Payments due by period				
	Total	Less than 1 year	1 – 3 years	4 – 5 years	Non-cash payable
Accounts payable and accrued liabilities	\$ 1,281,849	\$ 1,281,849	\$ -	\$ -	\$ -
Sales tax payable	99,824	99,824	-	-	-
Deferred revenue	2,471,214	-	-	-	2,471,214
Promissory note	1,017,092	263,884	753,208	-	-
Deferred tax liabilities	612,730	-	-	-	612,730
Office and other lease payments	1,457,595	109,246	712,484	635,865	-
	\$ 6,940,304	\$ 1,754,803	\$ 1,465,692	\$ 635,865	\$ 3,083,944

EARTHLABS INC.**Notes to the Interim Condensed Consolidated Financial Statements****June 30, 2024****(Unaudited - Prepared in Canadian dollars)****23. Financial instruments and financial risk management (continued):**

The following table shows the Company's liabilities and potential due dates related to liquidity risk as at December 31, 2023:

Liabilities and obligations	Payments due by period				
	Total	Less than 1 year	1 – 3 years	4 – 5 years	Non-cash payable
Accounts payable and accrued liabilities	\$ 1,287,021	\$ 1,287,021	\$ -	\$ -	\$ -
Sales tax payable	40,874	40,874	-	-	-
Deferred revenue	1,921,102	-	-	-	1,921,102
Promissory note	980,971	254,513	726,458	-	-
Deferred tax liabilities	204,690	-	-	-	204,690
Office and other lease payments	1,580,117	231,768	712,484	635,865	-
	\$ 6,014,775	\$ 1,814,176	\$ 1,438,942	\$ 635,865	\$ 2,125,792

The following table shows the Company's source of liquidity by assets as at June 30, 2024:

Assets	Liquidity by period				
	Total	Less than 1 year	1 – 3 years	4 – 5 years	Non-liquid assets
Cash and cash equivalents	\$ 4,356,101	\$ 4,356,101	\$ -	\$ -	\$ -
Due from brokers	856,684	856,684	-	-	-
Accounts receivable, net of ECLs	385,395	385,395	-	-	-
Investments, at fair value	37,039,330	37,039,330	-	-	-
Equity investment	2,121,841	2,121,841	-	-	-
Sales tax recoverable	70,398	70,398	-	-	-
Income tax receivable	219,557	219,557	-	-	-
Prepays	244,257	-	-	-	244,257
Property and equipment	1,224,968	-	-	-	1,224,968
Intangible assets	2,948,799	-	-	-	2,948,799
Goodwill	624,290	-	-	-	624,290
	\$ 50,091,620	\$45,049,306	\$ -	\$ -	\$ 5,042,314

The following table shows the Company's source of liquidity by assets as at December 31, 2023:

Assets	Liquidity by period				
	Total	Less than 1 year	1 – 3 years	4 – 5 years	Non-liquid assets
Cash and cash equivalents	\$ 5,227,657	\$ 5,227,657	\$ -	\$ -	\$ -
Due from brokers	485,949	485,949	-	-	-
Accounts receivable, net of ECLs	120,253	120,253	-	-	-
Investments, at fair value	35,091,151	35,091,151	-	-	-
Equity investment	2,138,352	2,138,352	-	-	-
Sales tax recoverable	57,241	57,241	-	-	-
Income tax receivable	854,023	854,023	-	-	-
Prepays	272,792	-	-	-	272,792
Property and equipment	1,252,737	-	-	-	1,252,737
Intangible assets	3,127,000	-	-	-	3,127,000
Goodwill	624,290	-	-	-	624,290
	\$ 49,251,445	\$ 43,974,626	\$ -	\$ -	\$ 5,276,819

EARTHLABS INC.**Notes to the Interim Condensed Consolidated Financial Statements****June 30, 2024****(Unaudited - Prepared in Canadian dollars)**

23. Financial instruments and financial risk management (continued):**(d) Currency risk:**

Currency risk is the risk of loss from the Canadian dollar depreciating when it fluctuates against other foreign currencies. The Company presently holds funds in Canadian dollars but some of its receivables are denominated in U.S. dollars. The Company does not engage in any hedging activities to mitigate its foreign exchange risk. A change in the foreign exchange rate of the Canadian dollar versus another currency may increase or decrease the value of the Company's financial instruments. There were no changes to the way that the Company manages currency risk during the six months ended June 30, 2024.

As at June 30, 2024, the Company had \$76,498 (US\$55,891) in net cash and cash equivalents, accounts receivable, due from brokers and accounts payable (June 30, 2023 - \$2,634,531(US\$1,968,452)) and had the Canadian dollar strengthened or declined by 5% in relation to the U.S. dollar, with all other variables held constant, net loss and comprehensive loss for the three and six months ended June 30, 2024 would have decreased or increased, respectively, by approximately \$3,825 (three and six months ended June 30, 2023 - \$131,727). In practice, the actual results may differ from this sensitivity analysis and the difference could be material.

24. Commitments and contingencies:

In addition to the Company's liabilities and obligations (see Note 23(c)), the Company is party to legal proceedings and other claims in the ordinary course of its operations. Litigation and other claims are subject to many uncertainties and the outcome of individual matters is not predictable. Where management can estimate that there is a loss probable, a provision has been recorded in its consolidated financial statements, where proceedings are at a premature stage or the ultimate outcome is not determinable, then no provision is recorded.

It is possible that the final resolution of these matters may require the Company to make expenditures over an extended period of time and in a range of amounts that cannot be reasonably estimated and may differ significantly from any amounts recorded in these interim condensed consolidated financial statements. Should the Company be unsuccessful in its defense or settlement of one or more of these legal actions, there could be a materially adverse effect on the Company's consolidated financial position, future expectations, and cash flows.