

Interim Condensed Consolidated Financial Statements of

EARTHLABS



(Formerly GoldSpot Discoveries Corp.)

September 30, 2023

(Unaudited - Prepared in Canadian dollars)

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EARTHLABS INC.

(Formerly GoldSpot Discoveries Corp.)

Interim Condensed Consolidated Statements of Financial Position

As at September 30, 2023 and December 31, 2022

(Unaudited - prepared in Canadian dollars)

	<u>Notes</u>	<u>September 30, 2023</u>	<u>December 31, 2022</u>
Assets			
Current			
Cash and cash equivalents	6	\$ 14,376,041	\$ 25,346,049
Due from brokers		398,682	3,180,098
Accounts receivable, net of expected credit losses (ECL)	3, 22(a)	59,840	116,214
Investments, at fair value	4, 22(b)	31,019,579	21,774,168
Equity investment	5, 13(c)	2,155,022	2,245,876
Sales tax recoverable		37,472	-
Income tax receivable		684,585	-
Prepays	7	140,624	146,727
		48,871,845	52,809,132
Property and equipment		123,578	146,244
Intangible assets	8	7,511,360	8,105,504
Goodwill	9	2,210,980	2,210,980
		\$ 58,717,763	\$ 63,271,860
Liabilities and Equity			
Current			
Accounts payable and accrued liabilities		\$ 794,478	\$ 1,002,120
Sales tax payable		69,782	440,555
Deferred revenue	10	1,705,081	1,004,440
Lease liabilities	11	30,151	52,454
Income tax payable		8,188	1,017,408
		2,607,680	3,516,977
Deferred tax liabilities		1,247,768	1,572,001
Non-current lease liabilities	11	71,029	87,055
		3,926,477	5,176,033
Equity			
Share capital	14	46,426,591	46,148,258
Contributed surplus	14(b)	5,706,792	3,845,559
Warrants	14(c)	-	41,051
Retained earnings		2,657,903	8,060,959
		54,791,286	58,095,827
		\$ 58,717,763	\$ 63,271,860

Commitments and contingencies

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

EARTHLABS INC.**(Formerly GoldSpot Discoveries Corp.)****Interim Condensed Consolidated Statements of Loss and Comprehensive Loss****Three And Nine Months Ended September 30,****(Unaudited - prepared in Canadian dollars)**

	Notes	Three Months Ended September 30,		Nine Months Ended September 30,	
		2023	2022	2023	2022
Revenue					
Advertising		\$ 440,430	\$ 1,040,933	\$ 1,529,244	\$ 1,646,605
Subscriptions		212,268	237,175	645,291	771,226
Sales of exploration maps		49,929	52,600	189,428	186,050
Net investment losses	16	(3,749,013)	(3,747,401)	(1,014,059)	(12,089,495)
Other income	13(b), 17	234,629	32,118	735,380	151,369
		(2,811,757)	(2,384,575)	2,085,284	(9,334,245)
		133%			
Expenses					
Operating, general and administrative	13(a), 18	3,380,167	2,027,353	7,101,915	6,254,275
Research and development		394,078	228,976	1,246,097	530,256
Finance expenses		4,134	3,406	13,831	8,633
		3,778,379	2,259,735	8,361,843	6,793,164
Loss from equity investment	5	(14,821)	(238,053)	(90,854)	(390,355)
Gain on deemed disposition of equity investment	5	-	-	-	407,790
Loss before income taxes		(6,604,957)	(4,882,363)	(6,367,413)	(16,109,974)
Income tax recovery	12	(737,110)	(1,064,187)	(964,357)	(2,445,867)
Net loss from continuing operations for the period		(5,867,847)	(3,818,176)	(5,403,056)	(13,664,107)
Net loss from discontinued operations for the period	19	-	(855,268)	-	(530,579)
Net loss and comprehensive loss for the period		\$ (5,867,847)	\$ (4,673,444)	\$ (5,403,056)	\$ (14,194,686)
Basic and diluted loss per common share for the period	14(d)				
Continuing operations		\$ (0.04)	\$ (0.03)	\$ (0.04)	\$ (0.10)
Discontinued operations		0.00	(0.01)	0.00	0.00
Net loss for the period		\$ (0.04)	\$ (0.04)	\$ (0.04)	\$ (0.10)
Weighted average number of common shares outstanding					
Basic and diluted	14(d)	137,388,527	136,555,193	137,281,860	136,128,628

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

EARTHLABS INC.**(Formerly GoldSpot Discoveries Corp.)****Interim Condensed Consolidated Statements of Changes in Equity****Nine Months Ended September 30,****(Unaudited - prepared in Canadian dollars)**

	Notes	Number of shares	Share capital	Contributed surplus	Warrants	Retained earnings	Total equity
Balance at December 31, 2021		133,404,960	\$ 43,992,562	\$ 2,079,988	\$ 41,051	\$ 14,905,968	\$ 61,019,569
Net loss and comprehensive loss for the period		-	-	-	-	(14,194,686)	(14,194,686)
Issued pursuant to exercise of options	14(b)	346,495	167,044	(59,885)	-	-	107,159
Issued pursuant to acquisition of DigiGeoData Inc., net	14(a)	2,803,738	1,988,652	-	-	-	1,988,652
Stock-based compensation expense	14(b)	-	-	1,522,429	-	-	1,522,429
Balance at September 30, 2022		136,555,193	\$ 46,148,258	\$ 3,542,532	\$ 41,051	\$ 711,282	\$ 50,443,123
Balance at December 31, 2022		136,555,193	\$ 46,148,258	\$ 3,845,559	\$ 41,051	\$ 8,060,959	\$ 58,095,827
Net loss and comprehensive loss for the period		-	-	-	-	(5,403,056)	(5,403,056)
Issued pursuant to exercise of options	14(b)	833,334	278,333	(128,333)	-	-	150,000
Reallocation of expired warrants	14(c)	-	-	41,051	(41,051)	-	-
Stock-based compensation expense	14(b)	-	-	1,948,515	-	-	1,948,515
Balance at September 30, 2023		137,388,527	\$ 46,426,591	\$ 5,706,792	\$ -	\$ 2,657,903	\$ 54,791,286

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

EARTHLABS INC.**(Formerly GoldSpot Discoveries Corp.)****Interim Condensed Consolidated Statements of Cash Flows****Nine Months Ended September 30,****(Unaudited - prepared in Canadian dollars)**

	<u>Notes</u>	<u>2023</u>	<u>2022</u>
Cash flows used in operating activities			
Net loss from continuing operations for the period		\$ (5,403,056)	\$(13,664,107)
Items not affecting cash			
Net investment losses	16	1,014,059	12,089,495
Loss from equity investment	5	90,854	390,355
Gain on deemed disposition of equity investment	5	-	(407,790)
Stock-based compensation expense	14(b)	1,948,515	1,522,429
Amortization and depreciation		904,751	992,765
Provision for expected credit losses		78,017	23,466
Finance expense		13,831	8,633
Deferred tax recovery		(324,233)	(2,791,145)
		(1,677,262)	(1,835,899)
Changes in non-cash working capital balances			
Proceeds on disposition of investments		9,124,597	12,143,802
Purchases of investments		(19,384,067)	(12,103,706)
Decrease (increase) in due from brokers		2,781,416	(1,039,641)
Increase in accounts receivable, net of expected credit losses (ECL)		(21,643)	(128,150)
Decrease (increase) in sales tax recoverable		(37,472)	62,574
Increase in income tax receivable		(684,585)	-
Decrease (increase) in prepaids		6,103	(66,172)
Decrease in accounts payable and accrued liabilities		(207,642)	(236,088)
Increase (decrease) in sales tax payable		(370,773)	307,414
Increase in deferred revenue		700,641	1,710,285
Increase (decrease) in income tax payable		(1,009,220)	264,492
Net cash flows used in operating activities - continuing operations		(10,779,907)	(921,089)
Net cash flows used in operating activities - discontinued operations		-	(1,210,256)
		(10,779,907)	(2,131,345)
Cash flows from (used in) financing activities			
Proceeds pursuant to exercise of options		150,000	107,159
Principal payments of lease liabilities	11	(52,160)	(36,549)
Share issuance costs	14(a)	-	(15,000)
Net cash flows from financing activities - continuing operations		97,840	55,610
Net cash flows used in financing activities - discontinued operations		-	(90,243)
		97,840	(34,633)

EARTHLABS INC.**(Formerly GoldSpot Discoveries Corp.)****Interim Condensed Consolidated Statements of Cash Flows - continued****Nine Months Ended September 30,****(Unaudited - prepared in Canadian dollars)**

	<u>Notes</u>	<u>2023</u>	<u>2022</u>
Cash flows used in investing activities			
Acquisition of DigiGeoData Inc., net of cash on hand		-	(971,886)
Purchases of property and equipment		(24,107)	-
Purchases of internal generated intangible assets		(263,834)	-
Net cash flows used in investing activities - continuing operations		(287,941)	(971,886)
Net cash flows used in investing activities - discontinued operations		-	(469,493)
		(287,941)	(1,441,379)
Net decrease in cash and cash equivalents during the period		(10,970,008)	(3,607,357)
Cash and cash equivalents, beginning of period		25,346,049	6,558,818
Cash and cash equivalents, end of period		\$ 14,376,041	\$ 2,951,461

Supplemental cash flow information

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

EARTHLABS INC.

(Formerly GoldSpot Discoveries Corp.)

Notes to the Interim Condensed Consolidated Financial Statements

September 30, 2023

(Unaudited - Prepared in Canadian dollars)

1. Nature of business:

EarthLabs Inc. (formerly GoldSpot Discoveries Corp.) ("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" and on the OTCQX Best Market under the symbol "SPOFF". The Company's head office is at 69 Yonge Street, Suite 1010, Toronto, Ontario, M5E 1K3.

EarthLabs is a mining investment and technology 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 consolidated financial statements were approved for issuance by the Company's board of directors on November 28, 2023.

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 nine months ended September 30, 2023 and 2022 should be read together with the annual financial statements as at and for the year ended December 31, 2022. The same 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, 2022.

(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 ("\$").

EARTHLABS INC.

(Formerly GoldSpot Discoveries Corp.)

Notes to the Interim Condensed Consolidated Financial Statements

September 30, 2023

(Unaudited - Prepared in Canadian dollars)

2. Basis of preparation (continued):

(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"), DigiGeoData Inc. ("DigiGeoData"), Chairman Ventures Inc. (formerly 14101634 Canada Inc.) and Resource Quantamental Corp.

On August 3, 2021, EarthLabs acquired 100% of the issued and outstanding share capital and voting rights in Ridgeline Exploration Services Inc. ("Ridgeline"). On October 1, 2021 EarthLabs acquired 100% of the issued and outstanding share capital and voting rights in CEO.CA and Geotic Inc. ("Geotic"). On February 1, 2022, EarthLabs acquired 100% of the issued and outstanding share capital and voting rights of DigiGeoData. The operating results, cashflows and net assets of these subsidiaries have been consolidated in the Company's financial statements from the date of acquisition until the date control ceases.

On October 25, 2022, the Company, ALS GoldSpot Discoveries Ltd. (formerly 1377900 BC Ltd.) and ALS Canada Ltd. entered into a Definitive Agreement governing a proposed disposition (the "Disposition") by the Company to ALS GoldSpot Discoveries Ltd. of certain rights, titles and interests which included all of its issued and outstanding shares of Ridgeline and Geotic. As a result of the transaction which closed on December 1, 2022, the Company lost control of Ridgeline and Geotic on December 1, 2022. See Note 19.

(d) 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, 2022.

EARTHLABS INC.**(Formerly GoldSpot Discoveries Corp.)****Notes to the Interim Condensed Consolidated Financial Statements****September 30, 2023****(Unaudited - Prepared in Canadian dollars)**

3. Accounts receivable, net of expected credit losses:

Accounts receivable primarily consists of receivables relating to advertising services and sales of digital maps. Accounts receivable, net of expected credit losses consist of the following as at September 30, 2023 and December 31, 2022 (See Note 22(a)):

	September 30, 2023	December 31, 2022
Accounts receivable	\$ 245,498	\$ 223,855
Expected credit loss provision	(185,658)	(107,641)
	\$ 59,840	\$ 116,214

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

- (a) The fair value and cost of investments, at fair value are as follows as at September 30, 2023 and December 31, 2022:

	Fair Value	Cost
September 30, 2023	\$ 31,019,579	\$ 27,877,304
December 31, 2022	\$ 21,774,168	\$ 18,250,680

- (b) As at September 30, 2023, included in investments, at fair value were securities of private companies with a fair value totaling \$11,173,585 (cost of \$9,901,019) (December 31, 2022 – \$3,162,783 and cost of \$3,035,736) measured in accordance with the Company's accounting policy for private company investments.

- (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).

EARTHLABS INC.**(Formerly GoldSpot Discoveries Corp.)****Notes to the Interim Condensed Consolidated Financial Statements****September 30, 2023****(Unaudited - Prepared in Canadian dollars)**

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

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 September 30, 2023 and December 31, 2022:

Investments, at fair value	Level 1	Level 2	Level 3	Total
	Quoted market price	Valuation technique – observable market	Valuation technique – non-observable market inputs	
September 30, 2023	\$ 14,664,574	\$ 5,181,420	\$ 11,173,585	\$ 31,019,579
December 31, 2022	\$ 12,697,387	\$ 5,913,998	\$ 3,162,783	\$ 21,774,168

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.

The following table presents the changes in fair value measurements of financial instruments classified as Level 3 for the nine months ended September 30, 2023 and year ended December 31, 2022. 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 are recognized in the interim condensed consolidated statements of loss and comprehensive loss.

	Opening balance at January 1,	Purchases	Transfer to Level 1 or 2	Net unrealized gains (losses)	Ending balance
September 30, 2023	\$ 3,162,783	\$ 6,865,283	\$ -	\$ 1,145,519	\$ 11,173,585
December 31, 2022	\$ 3,043,301	\$ 1,649,134	\$ (946,700)	\$ (582,952)	\$ 3,162,783

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.

EARTHLABS INC.**(Formerly GoldSpot Discoveries Corp.)****Notes to the Interim Condensed Consolidated Financial Statements****September 30, 2023****(Unaudited - Prepared in Canadian dollars)****4. Investments at fair value and financial instruments hierarchy (continued):**

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

	Fair value at September 30, 2023	Valuation technique	Unobservable input	% of Investments	Sensitivity to changes in significant unobservable inputs (%)
Unlisted private equities	\$ 7,538,293	New investment	Recent acquisition price	24.3	Recent transaction price
Unlisted private equities	3,105,959	Recent transaction calibration	Recent transaction calibration	10.0	Recent transaction price – market trends
Unlisted warrants	529,333	Black Scholes valuation model	Market prices, volatility, discount rate	1.7	138.5% volatility
	\$ 11,173,585			36.0	

	Fair value at December 31, 2022	Valuation technique	Unobservable input	% of Investments	Sensitivity to changes in significant unobservable
Unlisted private equities	\$ 639,000	New investment	Recent acquisition price	2.9	Recent transaction price
Unlisted private equities	2,467,958	Recent transaction calibration	Recent transaction calibration	11.3	Recent transaction price – market trends
Unlisted warrants	55,825	Black Scholes valuation model	Market prices, volatility, discount rate	0.3	116.9% volatility
	\$ 3,162,783			14.5	

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 these investments will result in a corresponding +/- \$2,793,396 (December 31, 2022 - \$790,696) 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.

EARTHLABS INC.

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

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.

5. Equity investment:

As at September 30, 2023, the Company holds a 27.5% (December 31, 2022 – 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 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 15(c).

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

	September 30, 2023		December 31, 2022	
Cash and cash equivalents	\$	6,520,820	\$	6,759,444
Other current assets		31,720		103,631
Non-current assets		1,326,857		1,327,492
Current liabilities		17,342		29,682
Net assets	\$	7,862,055	\$	8,160,885

Interim Condensed Consolidated statements of loss and comprehensive loss highlights for the three and nine months ended September 30, 2023 and 2022:

	Three months ended September 30,		Nine months ended September 30,	
	2023	2022	2023	2022
Amortization and depreciation	\$ -	\$ 635	\$ 635	\$ 1,904
Stock-based compensation expense	-	-	31,308	-
Other expenses	121,295	865,130	463,098	1,415,556
Total net loss	121,295	865,765	495,041	1,417,460
Other comprehensive income	67,440	758	164,904	668
Total net loss and comprehensive loss	\$ 53,855	\$ 865,007	\$ 330,137	\$ 1,416,792

EARTHLABS INC.

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Notes to the Interim Condensed Consolidated Financial Statements

September 30, 2023

(Unaudited - Prepared in Canadian dollars)

5. Equity investment (continued):

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

	September 30, 2023	December 31, 2022
Opening net assets - GPM	\$ 8,160,885	\$ 21,142,352
Net change in share capital - GPM	-	4,108,464
Total net loss and comprehensive loss - GPM	(330,137)	(17,089,931)
Closing net assets - GPM	\$ 7,830,748	\$ 8,160,885
EarthLabs's ownership	27.52%	27.52%
EarthLabs's share of closing net assets	\$ 2,155,022	\$ 2,245,876
Carrying amount in the consolidated statements of financial position	\$ 2,155,022	\$ 2,245,876

The following is a summary of the Company's investment in GPM for the nine months ended September 30, 2023 and 2022:

	GPM
Equity investment as at December 31, 2021	\$ 8,492,872
Shares received on settlement of debt	108,468
EarthLabs's share of loss for the period	(390,355)
Share exchange of Godzilla for GPM (at fair value)	600,000
Gain on deemed disposition of equity investment	407,790
Equity investment as at September 30, 2022	\$ 9,218,775
Equity investment as at December 31, 2022	\$ 2,245,876
EarthLabs's share of loss for the period	(90,854)
Equity investment at September 30, 2023	\$ 2,155,022

As at September 30, 2023, the Company determined that there were no indicators of impairment on the equity investment in GPM (December 31, 2022 – impairment of \$2,659,610).

6. 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 September 30, 2023 and December 31, 2022:

	September 30, 2023	December 31, 2022
Cash and cash equivalents	\$ 14,376,041	\$ 25,346,049
Due from brokers	398,682	3,180,098
Accounts receivable, net of expected credit losses	59,840	116,214
Accounts payable and accrued liabilities	(794,478)	(1,002,120)
	\$ 14,040,085	\$ 27,640,241

EARTHLABS INC.

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

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.

Cash and cash equivalents consist of the following as at September 30, 2023 and December 31, 2022:

	September 30, 2023	December 31, 2022
Cash	\$ 832,454	\$ 22,418,907
Cash equivalents	13,543,587	2,927,142
	\$ 14,376,041	\$ 25,346,049

As at September 30, 2023 and December 31, 2022, cash equivalents were comprised of Guarantee Investment Certificates and money market funds which are cashable at any time.

7. Prepays:

Prepays consist of the following as at September 30, 2023 and December 31, 2022:

	September 30, 2023	December 31, 2022
Software subscriptions and licenses	\$ 65,528	\$ 88,037
Insurance	30,677	3,766
Conferences and marketing	24,782	9,918
Other	11,822	13,744
Stock exchange listing fees	7,815	31,262
	\$ 140,624	\$ 146,727

8. Intangible assets:

A continuity of intangible assets are as follows for the nine months ended September 30, 2023 and year ended December 31, 2022:

Cost	Technology	Trade name/Brand	Non-compete agreements	Customer relationships	Total
Balance – December 31, 2021	\$ 7,668,000	\$ 2,008,000	\$ 353,000	\$ 312,000	\$ 10,341,000
Acquisition of DigiGeoData	1,060,000	235,000	-	-	1,295,000
Dispositions - discontinued operations	(1,380,000)	(274,000)	(353,000)	(132,000)	(2,139,000)
Balance – December 31, 2022	\$ 7,348,000	\$ 1,969,000	\$ -	\$ 180,000	\$ 9,497,000
Additions - internal generated	263,834	-	-	-	263,834
Balance – September 30, 2023	\$ 7,611,834	\$1,969,000	\$ -	\$ 180,000	\$ 9,760,834

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8. Intangible assets (continued):

Accumulated amortization	Technology	Trade name/Brand	Non-compete agreements	Customer relationships	Total
Balance – December 31, 2021	\$ 273,857	\$ 36,733	\$ 37,458	\$ 15,600	\$ 363,648
Amortization - continuing operations	963,064	129,961	-	36,000	1,129,025
Amortization - discontinued operations	147,857	16,500	72,375	19,800	256,532
Dispositions - discontinued operations	(197,143)	(24,333)	(109,833)	(26,400)	(357,709)
Balance – December 31, 2022	\$ 1,187,635	\$ 158,861	\$ -	\$ 45,000	\$ 1,391,496
Amortization - continuing operations	732,528	98,450	-	27,000	857,978
Balance – September 30, 2023	\$ 1,920,163	\$ 257,311	\$ -	\$ 72,000	\$ 2,249,474

Carrying Value	Technology	Trade name/Brand	Non-compete agreements	Customer relationships	Total
Balance – December 31, 2022	\$ 6,160,365	\$ 1,810,139	\$ -	\$ 135,000	\$ 8,105,504
Balance – September 30, 2023	\$ 5,691,671	\$ 1,711,689	\$ -	\$ 108,000	\$ 7,511,360

9. Goodwill:

A continuity of the Company's goodwill is as follows for the nine months ended September 30, 2023 and the year ended December 31, 2022:

	Ridgeline	CEO.CA	Geotic	DigiGeoData	Total
Balance – December 31, 2021	\$ 1,380,883	\$ 6,755,282	\$ 902,307	\$ -	\$ 9,038,472
Additions - continuing operations	-	-	-	2,210,980	2,210,980
Dispositions - discontinued operations	(1,380,883)	-	(902,307)	-	(2,283,190)
Impairment loss	-	(6,755,282)	-	-	(6,755,282)
Balance – December 31, 2022 and September 30, 2023	\$ -	\$ -	\$ -	\$ 2,210,980	\$ 2,210,980

10. Deferred revenue:

Deferred revenues are recognized in connection with consulting income, advertising and subscription revenues, sale of exploration maps, and software licensing.

Consulting income earned through EarthLabs is recognized on service contracts based on the number of labour hours incurred as a percentage of the total labour hours required to complete the contract. Generally, the Company has service contracts which are under 12 months long. Service contracts are completed upon providing the final deliverable to the customer which include a final report and presentation of the work performed. There may be differences between the timing of collections and the number of labour hours incurred at period end.

EARTHLABS INC.**(Formerly GoldSpot Discoveries Corp.)****Notes to the Interim Condensed Consolidated Financial Statements****September 30, 2023****(Unaudited - Prepared in Canadian dollars)**

10. Deferred revenue (continued):

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 6-12 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, PCS 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.

Where revenue recognized exceeds the amounts collected from customers, the difference is recorded as accounts receivable. Where amounts billed to 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 nine months ended September 30, 2023 and year ended December 31, 2022:

	September 30, 2023	December 31, 2022
Deferred revenue, at beginning of the period	\$ 1,004,440	\$ 6,073,101
Revenue billed	2,446,659	4,748,437
Additions - acquisition of DigiGeoData	-	171,721
Revenue recognized	(1,746,018)	(3,333,122)
Assumed on sale to ALS GoldSpot Discoveries Ltd.	-	(6,655,697)
Deferred revenue, at end of the period	\$ 1,705,081	\$ 1,004,440

As at September 30, 2023, deferred revenue related to continuing operations was \$1,705,081 (December 31, 2022 - \$1,004,440) and the Company expects that a majority of the deferred revenue will be recognized in fiscal 2023 and 2024.

11. Lease liabilities:

In February 2018, the Company signed a lease for new premises in Montreal, Quebec, which started March 1, 2018 for annual payments of approximately \$96,000 (\$8,000 monthly, increased by 2.5% each year) plus applicable taxes until February 28, 2023. In November 2020, the Company signed a lease for premises in Toronto, Ontario which started December 1, 2020 for annual payments of \$42,900 plus operating costs and applicable taxes until April 30, 2024.

In August 2022, the Company signed a lease for new 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 "New Montreal Lease"). In addition, Ridgeline has leased three vehicles with total payments of approximately \$2,321 per month plus applicable taxes.

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11. Lease liabilities (continued):

On December 1, 2022, the Company sold the Montreal Lease, and the Ridgeline vehicle leases to ALS GoldSpot Discoveries Ltd. as part of the Definitive Agreement entered into between EarthLabs and ALS GoldSpot Discoveries Ltd. The carrying value of the lease liabilities associated with these leases have been included as part of realized gains from disposition of subsidiaries and assets on the consolidated statement of loss and comprehensive loss as at December 31, 2022. See Note 19.

The following table summarizes the changes in the Company's lease liabilities during the nine months ended September 30, 2023 and year ended December 31, 2022:

	Lease liabilities	
Balance – December 31, 2021	\$	226,739
Additions - continuing operations		102,830
Additions - discontinued operations		59,802
Repayments - continuing operations		(53,833)
Repayments - discontinued operations		(112,546)
Finance expense - continuing operations		14,160
Finance expense - discontinued operations		11,684
Assignment to ALS GoldSpot Discoveries Ltd.		(109,327)
Balance – December 31, 2022	\$	139,509
Repayments - continuing operations		(52,160)
Finance expense - continuing operations		13,831
Balance – September 30, 2023	\$	101,180

	September 30, 2023	December 31, 2022
Current lease liabilities	\$ 30,151	\$ 52,454
Non-current lease liabilities	71,029	87,055
Total lease liabilities	\$ 101,180	\$ 139,509

As at September 30, 2023, future minimum annual lease payments under operating leases for premises are approximately as follows:

2023	\$	17,744
2024		42,960
2025		30,093
2026		31,598
2027		18,959
Prepaid rent deposits		(10,725)
Total lease obligations		130,629
Discount at effective interest rate of 15%		(29,449)
Net lease liabilities, as at September 30, 2023		101,180
Non-current lease liabilities as at September 30, 2023		(71,029)
Current lease liabilities as at September 30, 2023	\$	30,151

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12. Income tax expense and deferred tax liabilities:

For the three and nine months ended September 30, 2023, the Company has calculated the provision (recovery) 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 nine months ended September 30, 2023 was 11.2% and 15.1%, respectively (three and nine months ended September 30, 2022 – 21.8% and 15.2%, respectively). The Company's income tax expense 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.

13. Related party transactions:

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

- (a) During the three and nine months ended September 30, 2023 and 2022, 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 Secretary ("CFO"), Cejay Kim, its Chief Business Officer, and Mat Wilson, its Chief Investment Officer ("CIO") to be its key management personnel, in addition to its board of directors. During the three and nine months ended September 30, 2022, the Company did not have a CIO but included Shawn Hood, its Chief Technology Officer, as a key management personnel.

Compensation of key management is included in the interim condensed statements of loss and comprehensive loss:

	Three months ended		Nine months ended	
	September 30,		September 30,	
	2023	2022	2023	2022
Salaries and consulting fees	\$ 281,250	\$ 206,250	\$ 1,143,750	\$ 581,250
Directors fees	55,750	64,500	173,375	193,500
Stock-based compensation expense	1,302,967	100,977	1,402,384	412,213
Employee benefits	4,252	5,479	13,000	16,789
	\$1,644,219	\$ 377,206	\$ 2,732,509	\$ 1,203,752

- (b) During the nine months ended September 30, 2023, the Company recorded consulting revenue of \$25,114 (nine months ended September 30, 2022 - \$262,237 (included in net income from discontinued operations)) from New Found Gold Corp ("NFGC"), a mineral exploration company trading on the TSX Venture Exchange under the symbol "NFG". As at September 30, 2023, the Company also has an investment in NFGC with a fair value of \$5,264,000 (December 31, 2022 - \$5,123,000). The Company's EC&CEO is also a director and President of NFGC.

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13. Related party transactions (continued):

- (c) During the nine months ended September 30, 2023, the Company recorded consulting revenue (included in net income from discontinued operations) of \$nil (nine months ended September 30, 2022 - \$50,497) from Golden Planet Mining Corp. As at September 30, 2023, the Company also has an equity investment of \$2,155,022 (December 31, 2022 - \$2,245,876). The Company's EC&CEO is also a director and CEO of GPM. See Note 5.
- (d) As at September 30, 2023, 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 \$785,300 (December 31, 2022 - \$216,540). The Company's CIO is also a director and CEO of Sterling.
- (e) As at September 30, 2023, 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", of \$1,462,970 (December 31, 2022 - \$268,147). The Company's CEO is also a director of KLDC.
- (f) As at September 30, 2023, included in accounts payable and accrued liabilities is \$9,227 (2022 - \$nil) due to a director/officer of the Company, relating to reimbursement of expenses.
- (g) 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.
- (h) On May 31, 2022, the Company granted 1,975,000 options to directors and officers of the Company (including 200,000 options granted to Shawn Hood), exercisable at \$0.485 per share and expiring on May 31, 2027.

14. Equity:

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

On February 1, 2022, EarthLabs acquired DigiGeoData by issuing an aggregate of 2,803,738 common shares at a fair value of \$2,003,652, made a cash payment of \$1,000,000 (less shareholder loan repayment of \$123,054) for a total consideration of \$2,880,598. EarthLabs also incurred cash share issuance costs in the amount of \$15,000.

- (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 January 31, 2022, the Company granted 1,240,000 stock options to employees and consultants of the Company, exercisable at \$0.73 per share expiring on January 31, 2027.

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14. Equity (continued):

On May 31, 2022, the Company granted 4,472,500 stock options to directors, officers, employees and consultants of the Company, exercisable at \$0.485 per share expiring May 31, 2027.

Options granted are accounted for by the fair value method of accounting for stock-based compensation. The Company records compensation expense and credits contributed surplus for all options granted.

The fair value of the options granted on September 8, 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	96.5%
Expected dividend yield	0%
Risk-free interest rate	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

The fair value of the options granted on January 31, 2022 and May 31, 2022 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	106.2%-109.6%
Expected dividend yield	0%
Risk-free interest rate	1.64%-2.72%
Expected option life in years	5 years
Expected forfeiture rate	0%
Fair value per stock option granted on January 31, 2022	\$ 0.576
Fair value per stock option granted on May 31, 2022	\$ 0.379

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.

For the three months ended September 30, 2023, included in the interim condensed consolidated statements of loss and comprehensive loss is stock-based compensation expense of \$1,728,285 (three months ended September 30, 2022 - \$327,747) relating to the stock options granted to directors, officers, employees and consultants of the Company.

EARTHLABS INC.**(Formerly GoldSpot Discoveries Corp.)****Notes to the Interim Condensed Consolidated Financial Statements****September 30, 2023****(Unaudited - Prepared in Canadian dollars)**

14. Equity (continued):

For the nine months ended September 30, 2023, included in the interim condensed consolidated statements of loss and comprehensive loss is stock-based compensation expense of \$1,948,515 (nine months ended September 30, 2022 - \$1,522,429) 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 September 30, 2023 and 2022 and changes during the periods then ended is presented below:

	September 30, 2023		September 30, 2022	
	# of options	Weighted average exercise price	# of options	Weighted average exercise price
Stock options				
Outstanding, at beginning of year	12,687,727	\$ 0.40	7,685,826	\$ 0.29
Granted	13,400,000	0.20	5,712,500	0.54
Exercised	(833,334)	0.18	(346,495)	0.31
Cancelled/forfeited	(5,937,860)	0.48	(147,052)	0.51
Outstanding, at end of period	19,316,533	\$ 0.24	12,904,779	\$ 0.40
Exercisable, at end of period	16,423,188	\$ 0.24	7,878,201	\$ 0.34

As at September 30, 2023, the weighted average remaining life of the stock options was 4.2 years (September 30, 2022 – 3.5 years).

The following table summarizes information about stock options outstanding and exercisable as at September 30, 2023:

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	16,666	0.73	January 31, 2027
2,255,000	1,503,330	0.485	May 31, 2027
13,400,000	11,266,659	0.20	September 8, 2028
19,316,533	16,423,188		

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(c) Broker warrants/compensation options:

A summary of the status of the Company's broker warrants as at September 30, 2023 and 2022 and changes during the periods then ended is presented below:

	September 30, 2023		September 30, 2022	
	# of options	Weighted average exercise price	# of options	Weighted average exercise price
Broker warrants				
Outstanding, at beginning of period	79,556	\$ 0.80	79,556	\$ 0.80
Expired	(79,556)	0.80	-	-
Outstanding, at end of period	-	\$ -	79,556	\$ 0.80

(d) Basic and diluted earnings per common share based on net loss for the three and nine months ended September 30:

	Three months ended September 30,		Nine months ended September 30,	
	2023	2022	2023	2022
Numerator:				
Net loss from continuing operations	\$ (5,867,847)	\$ (3,818,176)	\$ (5,403,056)	\$ (13,664,107)
Net loss from discontinued operations	-	(855,268)	-	(530,579)
Net loss for the period	\$ (5,867,847)	\$ (4,673,444)	\$ (5,403,056)	\$ (14,194,686)

	Three months ended September 30,		Nine months ended September 30,	
	2023	2022	2023	2022
Denominator:				
Weighted average number of common shares outstanding – basic	137,388,527	136,555,193	137,281,860	136,128,628
Weighted average effect of diluted stock options and warrants (i)	-	-	-	-
Weighted average number of common shares outstanding – diluted	137,388,527	136,555,193	137,281,860	136,128,628

	Three months ended September 30,		Nine months ended September 30,	
	2023	2022	2023	2022
Basic and diluted loss per common share for the period				
Continuing operations	\$ (0.04)	\$ (0.03)	\$ (0.04)	\$ (0.10)
Discontinued operations	0.00	(0.01)	0.00	0.00
Net loss for the period	\$ (0.04)	\$ (0.04)	\$ (0.04)	\$ (0.10)

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14. Equity (continued):

- (i) The determination of the weighted average number of common shares outstanding – diluted excludes 19,316,533 shares (three and nine months ended September 30 2023) related to convertible securities (stock options) that were anti-dilutive for the three and nine months ended September 30, 2023 (three and nine months ended September 30, 2022 – 12,984,335).

- (e) 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 September 30, 2023 and 2022:

	September 30, 2023	September 30, 2022
Common shares outstanding	137,388,527	136,555,193
Stock options to purchase common shares	19,316,533	12,904,779
Broker warrants to purchase common shares	-	79,556
Fully diluted common shares outstanding	156,705,060	149,539,528

15. Segmented information:

The management of the Company is responsible for the Company's sales and considers the business to previously have two operating segments, along with its corporate operations:

- The Exploration Technology Division which houses the Company's exploration SaaS and global consulting services and field services divisions (Ridgeline and Geotic); and
- The Financial Technology Division which houses the Company's financial technology (CEO.CA 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.

On October 25, 2022, the Company announced that it had entered into an agreement to sell the Company's Exploration Technology Division. As a result, results for the Exploration Technology Division for the three and nine months ended September 30, 2022 have been classified as net loss from discontinued operations in the interim condensed consolidated statements of loss and comprehensive loss. See Note 19.

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16. Net investment losses:

Net investment losses comprises of the following for the three and nine months ended September 30:

	Three months ended September 30,		Nine months ended September 30,	
	2023	2022	2023	2022
Net realized gains (losses) on disposal of on investments	\$ 130,673	\$ (1,767,174)	\$ (632,846)	\$ (989,883)
Net change in unrealized losses on investments	(3,879,686)	(1,980,227)	(381,213)	(11,099,612)
	\$ (3,749,013)	\$ (3,747,401)	\$ (1,014,059)	\$ (12,089,495)

17. Other income:

Other income comprises of the following for the three and nine months ended September 30:

	Three months ended September 30,		Nine months ended September 30,	
	2023	2022	2023	2022
Interest income	\$ 200,762	\$ 9,146	\$ 590,082	\$ 14,932
Other sales	28,123	1,120	81,324	5,013
Dividend income	591	21,352	38,207	129,124
Consulting income	5,153	500	25,767	2,300
	\$ 234,629	\$ 32,118	\$ 735,380	\$ 151,369

18. Expenses by nature:

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

	Notes	Three months ended September 30,		Nine months ended September 30,	
		2023	2022	2023	2022
Salaries and consulting fees	13(a)	\$ 684,446	\$ 672,534	\$ 2,155,465	\$ 1,644,029
Stock-based compensation expense	13(a), 14(b)	1,728,285	327,747	1,948,515	1,522,429
Amortization and depreciation	8	302,819	340,525	904,751	992,765
Software licensing fees		212,541	180,779	592,552	614,784
Professional fees		148,187	196,497	462,534	554,055
Travel and promotion		71,824	9,387	182,401	30,394
Other office and general		53,217	50,935	178,294	188,735
Directors' fees	13(a)	55,750	64,500	173,375	193,500
Other employee benefits		39,691	30,551	146,696	98,775
Shareholder relations and filing fees		60,898	74,803	133,683	161,287
Brokerage fees and transaction costs		29,607	56,754	97,982	200,279
Provision for ECLs	3, 22(a)	600	22,533	78,017	23,466
Operating lease payments		18,302	14,742	51,140	45,454
Foreign exchange gain		(26,000)	(14,934)	(3,490)	(15,677)
		\$ 3,380,167	\$ 2,027,353	\$ 7,101,915	\$ 6,254,275

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19. Discontinued operations:

On October 25, 2022, the Company announced that it had entered into an agreement dated October 25, 2022 (the "Definitive Agreement") to sell the Company's exploration consulting & technology division ("Exploration Technology Division" or "ETD") to ALS GoldSpot Discoveries Ltd. (formerly 1377900 BC Ltd.) (the "Purchaser"), a wholly owned subsidiary of ALS Limited (ASX: ALQ). Headquartered in Brisbane, Australia, ALS Limited is the largest provider of laboratory testing, inspection, certification and verification solutions with more than 18,000 employees worldwide. The transaction closed on December 1, 2022 and the Company sold its right, title and interest in the following (collectively, the Exploration Technology Division):

- (a) all of the issued and outstanding shares of the Company's wholly-owned subsidiaries: Ridgeline Explorations Services Inc. and Géotic Inc. (the "Purchased Entities");
- (b) the business currently carried on by the Company through its exploration technology division and by the Purchased Entities (collectively, the "Business"), including but not limited to the business of the development, maintenance and marketing of geological exploration consulting services that specialize in the application of machine learning and other automated data assessment technologies and tools; and
- (c) all undertakings, property, assets, rights and interests of the Company used exclusively in connection with the Business, including without limitation, specified accounts receivable, inventories, intellectual property, books, records and goodwill.

As a result, the operating results of Ridgeline, Geotic, and EarthLabs consulting division for the three and nine months ended September 30, 2022 have been classified as net income from discontinued operations in the interim condensed consolidated statements of loss and comprehensive loss.

The purchase price (the "Purchase Price") paid by the Purchaser to the Company for the Exploration Technology Division was comprised of (i) a cash payment of \$23,400,000 (subject to standard working capital adjustments); and (ii) the assumption by the Purchaser of certain specified assumed liabilities, including deferred revenue obligations of the Company in an aggregate amount of up to \$6,000,000 signed with the Company's investees.

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19. Discontinued operations (continued):

To conform with the current period classification of the discontinued operations, prior period results have been reclassified to discontinued operations. Results of discontinued operations are as follows for the three and nine months ended September 30, 2022:

	Three months ended September 30, 2022	Nine months ended September 30, 2022
Revenue		
Consulting income	\$ 2,859,158	\$ 9,012,431
Sales of software licensing	112,683	435,244
Other income	388,300	468,860
	<u>3,360,141</u>	<u>9,916,535</u>
Expenses		
Operating, general and administrative	3,399,613	8,343,314
Research and development	662,073	1,920,086
Finance expenses	35,573	43,297
	<u>4,097,259</u>	<u>10,306,697</u>
Loss before income taxes	(737,118)	(390,162)
Income tax expense	118,150	140,417
Net loss for the period from discontinued operations	<u>\$ (855,268)</u>	<u>\$ (530,579)</u>

20. Supplemental disclosure of cash flow information:

The following table shows the supplemental cash flow information for the nine months ended September 30:

	2023	2022
Income taxes paid - continuing operations	\$ 1,070,082	\$ 12,751
Income taxes paid - discontinued operations	-	117,279
Interest paid	9,370	1,558
Non-cash investment activities		
Issuance of shares for the acquisition of DigiGeoData, at fair value	-	2,003,652

21. Management of capital:

There were no changes in the Company's approach to capital management during the nine months ended September 30, 2023. 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 \$54,791,286 on September 30, 2023 (December 31, 2022 – \$58,095,827). 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.

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21. Management of capital (continued):

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 September 30, 2023.

22. Financial instruments and financial risk management:

Financial instruments

The carrying amounts of accounts receivable, net of ECLs, accounts payable and accrued liabilities, and current lease liabilities approximate their fair value due to their short periods to maturity.

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 nine months ended September 30, 2023. 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.

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

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 \$14,834,563 as at September 30, 2023 (December 31, 2022 - \$28,642,361).

An aging of accounts receivable, net of expected credit losses are as follows as at September 30, 2023 and December 31, 2022:

	September 30, 2023		December 31, 2022	
Accounts receivable aging				
0-30 days	\$	59,840	\$	113,302
31-60 days		-		2,634
61-90 days		-		278
Greater than 90 days		185,658		107,641
	\$	245,498	\$	223,855
Expected credit loss provision		(185,658)		(107,641)
Accounts receivable, net of expected credit losses	\$	59,840	\$	116,214

The movement in the expected credit loss provision can be reconciled as follows as at September 30, 2023 and December 31, 2022:

	September 30, 2023		December 31, 2022	
Expected credit loss provision:				
Expected credit loss provision, beginning balance	\$	(107,641)	\$	(116,475)
Provision used during the period		-		116,475
Provision recorded during the period		(78,017)		(107,641)
Expected credit loss provision, ending balance	\$	(185,658)	\$	(107,641)

The following default rates are used to calculate the expected credit loss provision on accounts receivable as at September 30, 2023:

	Total	0-30 days	31-60 days	61-90 days	Greater than 90 days
Default rates		0%	0%	0%	100%
Accounts receivable	\$ 245,498	\$ 59,840	\$ -	\$ -	\$ 185,658
Expected credit loss provisions	\$ 185,658	\$ -	\$ -	\$ -	\$ 185,658

The following default rates are used to calculate the expected credit loss provision on accounts receivable as at December 31, 2022:

	Total	0-30 days	31-60 days	61-90 days	Greater than 90 days
Default rates		0%	0%	0%	100%
Accounts receivable	\$ 223,855	\$ 113,302	\$ 2,634	\$ 278	\$ 107,641
Expected credit loss provisions	\$ 107,641	\$ -	\$ -	\$ -	\$ 107,641

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

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(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 September 30, 2023, the Company held \$1,144,010 in foreign denominated investments (December 31, 2022 – \$339,000) therefore market risk also includes currency risk. There were no changes in the way the Company manages market risk during the nine months ended September 30, 2023.

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

Percentage of change in closing trade price	Decrease in after-tax net loss from % increase in closing trade price	Increase in after-tax net loss from % decrease in closing trade price
2%	\$ 538,190	\$ (538,190)
4%	1,076,379	(1,076,379)
6%	1,614,569	(1,614,569)
8%	2,152,759	(2,152,759)
10%	2,690,948	(2,690,948)

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

The following table shows the estimated sensitivity of the Company's after-tax net loss for the three and nine months ended September 30, 2022 from a change in the fair value price of the Company's investments with all other variables held constant as at September 30, 2022:

Percentage of change in closing trade price	Decrease in after-tax net loss from % increase in closing trade price	Increase in after-tax net loss from % decrease in closing trade price
2%	\$ 380,751	\$ (380,751)
4%	761,501	(761,501)
6%	1,142,252	(1,142,252)
8%	1,523,002	(1,523,002)
10%	1,903,753	(1,903,753)

(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 nine months ended September 30, 2023. The Company's accounts payable and accrued liabilities are due within less than 1 year as at September 30, 2023 and December 31, 2022.

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 September 30, 2023:

Liabilities and obligations	Total	Payments due by period			Non-cash payable
		Less than 1 year	1 – 3 years	4 – 5 years	
Accounts payable and accrued liabilities	\$ 794,478	\$ 794,478	\$ -	\$ -	\$ -
Sales tax payable	69,782	69,782	-	-	-
Deferred revenue	1,705,081	-	-	-	1,705,081
Income tax payable	8,188	8,188	-	-	-
Deferred tax liabilities	1,247,768	-	-	-	1,247,768
Office and other lease payments	130,629	17,744	104,651	8,234	-
	\$ 3,955,926	\$ 890,192	\$104,651	\$ 8,234	\$ 2,952,849

EARTHLABS INC.**(Formerly GoldSpot Discoveries Corp.)****Notes to the Interim Condensed Consolidated Financial Statements****September 30, 2023****(Unaudited - Prepared in Canadian dollars)****22. 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, 2022:

Liabilities and obligations	Total	Payments due by period			Non-cash payable
		Less than 1 year	1 – 3 years	4 – 5 years	
Accounts payable and accrued liabilities	\$ 1,002,120	\$ 1,002,120	\$ -	\$ -	\$ -
Sales tax payable	440,555	440,555	-	-	-
Deferred revenue	1,004,440	-	-	-	1,004,440
Income tax payable	1,017,408	1,017,408	-	-	-
Deferred tax liabilities	1,572,001	-	-	-	1,572,001
Office and other lease payments	182,789	69,904	104,651	8,234	-
	\$ 5,219,313	\$ 2,529,987	\$ 104,651	\$ -	\$ 2,576,441

The following table shows the Company's source of liquidity by assets as at September 30, 2023:

Assets	Total	Liquidity by period			Non-liquid assets
		Less than 1 year	1 – 3 years	4 – 5 years	
Cash and cash equivalents	\$ 14,376,041	\$14,376,041	\$ -	\$ -	\$ -
Due from brokers	398,682	398,682	-	-	-
Accounts receivable, net of ECLs	59,840	59,840	-	-	-
Investments, at fair value	31,019,579	31,019,579	-	-	-
Equity investment	2,155,022	2,155,022	-	-	-
Sales tax recoverable	37,472	37,472	-	-	-
Income tax receivable	684,585	684,585	-	-	-
Prepays	140,624	-	-	-	140,624
Property and equipment	123,578	-	-	-	123,578
Intangible assets	7,511,360	-	-	-	7,511,360
Goodwill	2,210,980	-	-	-	2,210,980
	\$ 58,717,763	\$48,731,221	\$ -	\$ -	\$ 9,986,542

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

The following table shows the Company's source of liquidity by assets as at December 31, 2022:

Assets	Liquidity by period				
	Total	Less than 1 year	1 – 3 years	4 – 5 years	Non-liquid assets
Cash and cash equivalents	\$ 25,346,049	\$ 25,346,049	\$ -	\$ -	\$ -
Due from brokers	3,180,098	3,180,098	-	-	-
Accounts receivable, net of ECLs	116,214	116,214	-	-	-
Investments, at fair value	21,774,168	21,774,168	-	-	-
Equity investment	2,245,876	2,245,876	-	-	-
Prepays	146,727	-	-	-	146,727
Property and equipment	146,244	-	-	-	146,244
Intangible assets	8,105,504	-	-	-	8,105,504
Goodwill	2,210,980	-	-	-	2,210,980
	\$ 63,271,860	\$ 52,662,405	\$ -	\$ -	\$ 10,609,455

(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 nine months ended September 30, 2023.

As at September 30, 2023, the Company had \$1,325,955 (US\$980,736) in net cash and cash equivalents, accounts receivable, due from brokers and accounts payable (September 30, 2022 - \$262,473(US\$191,660)) and had the Canadian dollar strengthened or declined by 5% in relation to the U.S. dollar, with all other variables held constant, net income and comprehensive income for the three and nine months ended September 30, 2023 would have decreased or increased, respectively, by approximately \$66,298 (three and nine months ended September 30, 2022 - \$13,124). In practice, the actual results may differ from this sensitivity analysis and the difference could be material.

23. Commitments and contingencies:

In addition to the Company's liabilities and obligations (see Note 22(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.

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23. Commitments and contingencies (continued):

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.

24. Subsequent events:

- (a) Subsequent to September 30, 2023, the Company announced that it has entered into a definitive agreement with Glacier Media Inc. and its wholly-owned subsidiary Glacier Rig Ltd. under which EarthLabs will acquire 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 consists of the aggregate cash payment of \$4,000,000, subject to working capital adjustments. The cash payment will be 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 shall be secured by a general security agreement against the assets of EarthLabs and its new technology division. In connection with the acquisition, (i) the parties shall enter into a transition services agreement which shall provide for a timely and efficient transfer of the TNM, CMJ and MINING.COM operations; and (ii) Glacier Rig Ltd shall execute a non-competition and non-solicitation agreement with EarthLabs. The Definitive Agreement may be terminated by either party in certain specified circumstances. There are no finder's fees associated with the acquisition and the Company is not assuming any material debt from Glacier Rig Ltd. The acquisition remains subject to customary closing conditions and the approval of the TSX Venture Exchange.
- (b) Subsequent to September 30, 2023, the Company signed a lease for new premises in Toronto, Ontario, which replaces the Company's current Toronto lease and will commence on December 1, 2023 for annual payments of approximately \$203,994 (increased by 2% each year) plus applicable taxes until November 30, 2030.

25. Comparative interim condensed consolidated financial statements:

The comparative interim condensed consolidated financial statements have been reclassified from statements previously presented to conform to the presentation of the September 30, 2023 interim condensed consolidated financial statements. The Company has reclassified research and development expenses from operating, general and administrative expenses in the interim condensed consolidated statements of loss and comprehensive loss and reclassified discontinued operations.