BATTERY MINERAL RESOURCES CORP.

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

FOR THE THREE MONTHS ENDED MARCH 31, 2024
(Unaudited)

(Expressed in Canadian Dollars)

BATTERY MINERAL RESOURCES CORP.

CONDENSED INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

(Expressed in Canadian Dollars)
As at

	Note	March 31, 2024	December 31, 2023
ASSETS			
Current assets			
Cash		$ 7,673,304	$ 888,141
Receivables	3	4,203,546	4,640,831
Prepaids		512,723	383,780
Total current assets		12,389,573	5,912,752
Non-current assets			
Property, plant and equipment	4	46,009,610	49,756,603
Intangible assets		157,797	160,734
Exploration and evaluation assets	5	54,506,795	54,203,338
Deferred tax asset		201,590	196,770
Income tax receivable		1,393,986	1,393,986
Total non-current assets		102,269,778	105,711,431
TOTAL ASSETS		$ 114,659,351	$ 111,624,183
LIABILITIES			
Current liabilities			
Trade and other payables	6	$ 5,829,252	$ 6,545,534
Income taxes payable		3,967,826	3,958,002
Current portion of lease liability		342,764	322,583
Current portion of loans and borrowings	11	1,107,638	732,424
Convertible debenture	12	27,229,338	24,869,560
Current portion of deferred payments on acquisition	8	1,641,968	1,768,047
Current portion of copper prepayment liability	9	159,815	-
Deferred revenue		605,980	361,809
Total current liabilities		40,884,581	38,557,959
Non-current liabilities			
Lease liability		931,467	996,752
Deferred payments on acquisition	8	2,787,277	3,302,633
Loans and borrowings	11	5,957,528	1,865,560
Copper prepayment liability	9	6,669,036	
Asset retirement obligation	10	7,374,370	10,317,746
VAT liability	7	4,016,806	3,614,106
Income tax provision		883,644	883,644
Total non-current liabilities		28,620,128	20,980,441
TOTAL LIABILITIES		69,504,709	59,538,400
EQUITY			
Share capital	13	64,456,968	64,184,967
Contributed surplus	13	22,823,608	22,740,403
Accumulated other comprehensive loss		(6,498,641)	(3,508,445)
Deficit		(35,627,293)	(31,331,142)
TOTAL EQUITY		45,154,642	52,085,783
TOTAL LIABILITIES AND EQUITY		$ 114,659,351	$ 111,624,183

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

Nature of operations and going concern	1
Subsequent events	17

Approved on behalf of the Board:

/s/ Lazaros Nikeas   */s/ Stephen Dunmead*

BATTERY MINERAL RESOURCES CORP.

CONDENSED INTERIM CONSOLIDATED STATEMENTS OF LOSS AND COMPREHENSIVE LOSS

(Expressed in Canadian Dollars)

	Note		For the three months ended March 31, 2024		For the three months ended March 31, 2023
REVENUE					
Sales	14	**$**	**3,161,393**	$	2,725,033
EXPENSES					
Cost of sales			**377,674**		344,950
Depreciation of equipment	4		**727,724**		699,345
Impairment of exploration and evaluation assets	5		**3,626**		8,094
Management fees			**728,178**		437,145
Operating and maintenance			**1,242,626**		1,023,725
Professional fees			**172,071**		354,276
Restricted share units expense	13		**179,803**		409,810
Performance share units expense	13		**80,429**		-
General and administration			**2,973,558**		1,346,716
Stock option expense	13		**94,974**		204,343
Loss from operations			**(3,419,270)**		(2,103,371)
Finance costs	9,10,11		**(444,002)**		(692,180)
Foreign exchange (loss) gain			**(448)**		349,837
Loss on remeasurement of convertible debentures	12		**(480,106)**		-
Other income			**48,631**		62,605
Loss before taxes		**$**	**(4,295,195)**	$	(2,383,109)
Income taxes					
Deferred Income tax expense			(956)		-
Loss for the period			**(4,296,151)**		(2,383,109)
Currency translation adjustment			**(2,990,196)**		2,984,205
Comprehensive (loss) gain for the period attributable to common shareholders		**$**	**(7,286,347)**	$	601,096
Loss per share					
Basic and diluted loss per ordinary share		**$**	**(0.02)**	$	(0.01)
Basic and diluted weighted average number of ordinary shares outstanding			**180,758,391**		179,492,426

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

CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

(Expressed in Canadian Dollars, except where indicated)

	# of shares issued	Share capital	Contributed surplus	Accumulated other comprehensive loss	Deficit	Total equity
		$	$	$	$	$
Balance at December 31, 2022	**171,705,612**	**60,952,703**	**24,195,021**	**(639,050)**	**(20,020,096)**	**64,488,578**
Performance share units expense (Note 13)	-	-	243,938	-	-	243,938
Restricted share units expense (Note 13)	-	-	1,232,375	-	-	1,232,375
Stock based compensation (Note 13)	-	-	683,703	-	-	683,703
Convertible debenture (extinguished) interests payments	5,217,186	830,037	(22,502)	-	-	807,535
Convertible debenture extinguishment - equity portion	-	-	(1,189,905)	-	1,189,905	-
Restricted share units - vested and exercised	3,497,497	2,402,227	(2,402,227)	-	-	-
Loss for the year	-	-	-	-	(12,500,951)	(12,500,951)
Currency translation adjustment	-	-	-	(2,869,395)	-	(2,869,395)
Balance at December 31, 2023	**180,420,295**	**64,184,967**	**22,740,403**	**(3,508,445)**	**(31,331,142)**	**52,085,783**
Performance share units expense (Note 13)	-	-	80,429	-	-	80,429
Restricted share units expense (Note 13)	-	-	179,803	-	-	179,803
Stock based compensation (Note 13)	-	-	94,974	-	-	94,974
Restricted share units - vested and exercised	400,001	272,001	(272,001)	-	-	-
Loss for the period	-	-	-	-	(4,296,151)	(4,296,151)
Currency translation adjustment	-	-	-	(2,990,196)	-	(2,990,196)
Balance at March 31, 2024	**180,820,296**	**64,456,968**	**22,823,608**	**(6,498,641)**	**(35,627,293)**	**45,154,642**

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

CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS
(Expressed in Canadian Dollars)

	For the three months ended March 31, 2024	For the three months ended March 31, 2023
CASH FLOWS FROM (TO) OPERATING ACTIVITIES		
Net loss for the period	$ (4,296,151)	$ (2,383,109)
Items not affecting cash:		
Accretion	308,262	574,870
Depreciation	727,724	699,345
Impairment of exploration and evaluation assets	3,626	8,094
Restricted share units expense	179,803	409,810
Stock option expense	94,974	204,343
Performance share units expense	80,429	-
Loss on finance lease termination	6,715	-
Loss on remeasurement of convertible debenture	480,106	-
Unrealized foreign exchange	448	335,492
Changes in non-cash working capital items:		
Inventory	(214,454)	201,651
Receivables	670,988	178,466
Prepaid expenses	(125,852)	(225,698)
VAT	(254,994)	-
Trade and other payables	(175,582)	(146,954)
Income taxes payable	(149)	(8,756)
Deferred revenue	235,183	(147,380)
Other current assets	(116,779)	(68,644)
Other current liabilities	-	(26,983)
Other non-current liabilities	(423,808)	-
Net cash used in continuing operating activities	(2,819,511)	(395,453)
CASH FLOWS FROM (TO) INVESTING ACTIVITIES		
Exploration and evaluation assets - Punitaqui	(2,502,933)	(2,253,335)
Exploration and evaluation assets - other	(111,063)	(138,649)
Acquisition of property, plant and equipment - Punitaqui	(200,105)	-
Other acquisition of property, plant and equipment	(1,577,243)	(868,226)
Purchase of intangible assets	(662)	
Changes in non-cash working capital items:		
Trade and other payables	-	(334,149)
Net cash used in investing activities	(4,392,006)	(3,594,359)
CASH FLOWS FROM (TO) FINANCING ACTIVITIES		
Proceeds from new convertible debenture	1,879,672	-
Proceeds from copper prepayment	7,013,161	-
Proceeds from loans and borrowings	4,584,390	-
Proceeds from bridge loan	-	2,345,574
Repayment of long term debt	(257,138)	(190,178)
Net cash provided by financing activities	13,220,085	2,155,396
Effects of exchange rate changes on cash and cash equivalents	776,595	(583,591)
Change in cash during the period	6,785,163	(2,418,007)
Cash, beginning of the period	888,141	4,254,172
Cash, end of the period	$ 7,673,304	$ 1,836,165
Supplementary cash flow information:		
Interest paid	(97,294)	(133,445)
Interest received	10,019	76,076
Income taxes paid	(1,105)	(8,756)

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

1. NATURE OF OPERATIONS AND GOING CONCERN

Battery Mineral Resources Corp. (the "Company" or "BMR") was incorporated on November 26, 2019 under the laws of British Columbia, Canada. The Company's registered office and principal place of business is located at 1040 West Georgia Street, Suite 1900, Vancouver, BC V6E 4H3. Trading of the Company's common shares on the TSX Venture Exchange ("TSXV") commenced on February 22, 2021, under ticker "BMR".

The Company's principal business activities include the mining operations at the Punitaqui Mine Complex ("Punitaqui"), located in Chile, and the acquisition and exploration of mineral exploration and evaluation assets in Canada, the United States, Chile, and South Korea. The Company has not yet determined whether its exploration and evaluation assets contain ore reserves that are economically recoverable. The recoverability of the amounts shown for exploration and evaluation assets are dependent upon the existence of economically recoverable reserves, and the ability of the Company to obtain necessary financing to complete the development of those reserves and upon future profitable production.

The Company holds resource interests including copper, cobalt, lithium, and graphite properties. On the basis of information obtained to date, the Company has not yet determined whether these properties contain economically recoverable ore reserves. The underlying value of the resource interests is entirely dependent on the existence of economically recoverable reserves, the ability of the Company to obtain the necessary financing to complete development and upon future profitable production. The amounts shown as exploration and evaluation properties represent net costs to date, less amounts recovered or written off, and do not necessarily represent present or future values.

The Company also holds a 100% interest in ESI Energy Services Inc. ("ESI"), a company in the business of selling and leasing backfill separation machines ("Padding Machines") to mainline pipeline contractors, renewables and utility construction contractors, as well as oilfield pipeline and construction contractors.

At March 31, 2024, the Company had a working capital deficiency of $28,495,007 (December 31, 2023 – working capital deficiency of $7,775,647). For the three months ended March 31, 2024, the Company recorded a net loss of $4,296,151 (March 31, 2023 - $2,383,109). For the three months ended March 31, 2024, the Company recorded net cash outflow from operating activities of $2,819,511 (March 31, 2023 – outflow from operating activities $395,453).

The above factors, together with the potential for additional unforeseen issues and delays in the realization of the potential benefits from the Company's capital projects, such as the Punitaqui Project, give rise to material uncertainties that may cast significant doubt on the Company's ability to continue as a going concern. The business of mining and exploration involves a high degree of risk and there can be no assurance that exploration and development programs will result in profitable mining operations. The Company does not currently generate sufficient revenue to fund it's planned exploration and development activities and will need to continue to obtain additional financing to execute such activities and discharge its day-to-day obligations. There is no assurance that the Company's funding initiatives will be successful, and these consolidated financial statements do not reflect the adjustments to carrying values of assets and liabilities and the reported consolidated statements of financial position classifications that would be necessary if the going concern assumption was inappropriate. These adjustments could be material.

2. BASIS OF PREPARATION

Statement of compliance

These condensed interim consolidated financial statements for the three months ended March 31, 2024 (“Financial Statements") have been prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”) including International Accounting Standard (“IAS”) 34, Interim Financial Reporting. These Financial Statements should be read in conjunction with the annual financial statements for the year ended December 31, 2023, which have been prepared in accordance with IFRS as issued by the IASB.

These consolidated financial statements were authorized for issue by the Board of Directors on May 29, 2024.

Basis of presentation

The condensed interim consolidated financial statements have been prepared on a historical cost basis except for certain financial instruments, which are measured at fair value through profit and loss (“FVTPL”). In addition, these consolidated financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

Functional and presentation currency

These condensed interim consolidated financial statements are presented in Canadian Dollars, unless otherwise noted, which is the functional currency of the parent.

The financial statements for the Company and each of its subsidiaries are prepared using their functional currencies. Functional currency is the currency of the primary economic environment in which an entity operates. The functional currency of North American Cobalt Inc. (Canada) and ESI Energy Services Inc. is the Canadian dollar. The functional currency of North American Cobalt Inc. (USA), Battery Mineral Resources (Nevada), Inc. and Ozzies, Inc. is the US dollar. The functional currency of Minera BMR SpA and Minera Altos de Punitaqui Ltda. is the Chilean peso. The functional currency of Opirus Minerals Group Pty Ltd. and Energy Services (Australia) Pty Ltd. is the Australian dollar. The functional currency of Battery Mineral Resources Korea is the South Korean won. The presentation currency of the Company is the Canadian dollar.

Basis of consolidation

These consolidated financial statements of the Company include the following wholly owned subsidiaries as follows:

Name of Subsidiaries	Principal Activity	Country of Incorporation
BMR Holdings Limited (formerly Battery Mineral Resources Corp.)	Intermediate Holding Company	Canada
North American Cobalt Inc. (formerly Battery Mineral Resources Limited)	Resource Exploration	Canada
North American Cobalt Inc.	Resource Exploration	USA
Battery Mineral Resources (Nevada), Inc.	Resource Exploration	USA
Opirus Minerals Group Pty Ltd.	Intermediate Holding Company	Australia
Battery Mineral Resources Korea (formerly Won Kwang Mines Inc.)	Resource Exploration	South Korea
ESI Energy Services Inc.	Oil and Gas Service Company	Canada
Ozzies, Inc. (formerly ESI Pipeline Services, Inc.)	Oil and Gas Service Company	USA
Energy Services (Australia) Pty Ltd.	Oil and Gas Service Company	Australia
Minera BMR SpA	Resource Exploration	Chile

2. BASIS OF PREPARATION (cont'd…)

Control exists when the Company has the power, directly or indirectly, to govern the financial and operating policies of an entity so as to obtain benefits from its activities. All inter-company transactions and balances have been eliminated upon consolidation. Assets, liabilities, income, and expenses of entities subject to consolidation are recorded from the date of acquisition to the date of disposal.

Critical estimates, judgements and assessments

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

Although management uses historical experience and its best knowledge of the amount, events, or actions to form the basis for judgments and estimates, actual results may differ from these estimates. Areas of judgment that have the most significant effect on the amounts recognized in these condensed interim consolidated financial statements are disclosed in Note 2 of the Company's annual consolidated financial statements for the year ended December 31, 2023.

Summary of accounting policies

The accounting policies, methods of computation and presentation applied in these condensed interim financial statements are consistent with those of the annual financial statements for the year ended December 31, 2023, except for the adoption of amendments to IAS 1 as further described below.

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2. BASIS OF PREPARATION (cont'd…)

Amended IFRS standard effective January 1, 2024

In January 2020, the IASB issued amendments to IAS 1 - Presentation of Financial Statements to clarify that liabilities are classified as either current or non-current, depending on the existence of the substantive right at the end of the reporting period for an entity to defer settlement of the liability for at least twelve months after the reporting period. In addition, the amendments clarify that: (a) classification of liabilities as current or non-current should be based on rights that are in existence at the end of the reporting period; (b) classification is unaffected by management's intentions or expectations about whether the Company will exercise its right to defer settlement; (c) if the Company's right to defer settlement is subject to the Company complying with specified conditions, only conditions with which the Company must comply on or before the reporting date affect the classification of a liability as current or non-current; (d) the term settlement refers to a transfer that extinguishes the liability and such transfer could be made in cash or other assets including the Company's own equity instruments. Furthermore, the amendments confirm that when the terms of the liability allow for settlement by the Company's own equity instruments at the option of the counterparty, settlement using the Company's own equity instruments is not considered in determining the classification of the liability. To meet this exception, the conversion option must have been separated from the liability and classified as an equity instrument in the financial statements of the Company. The amendments apply retrospectively for annual reporting periods beginning on or after January 1, 2024
The Company closed two tranches of senior secured convertible debentures in 2023, as further described in Note 13 of these Financial Statements. The convertible debenture contains a conversion feature which is classified as a derivative financial liability on the statement of financial position. In applying the definition of settlement, it is clear that the Company does not have the right to defer settlement of the convertible debentures for more than twelve months after the reporting date, as the holders can demand settlement of the liability in shares at any time in a manner that would extinguish the liability. Furthermore, as the settlement would be through the exercise of each holders right to convert the loan to the Company's equity under a conversion option that was classified as a liability on inception and not an equity instrument, the Company does not meet the exception criteria described above and would consider the settlement by transfer of the Company's own equity instrument to be an extinguishment of the liability. As a result, the convertible debentures, including the conversion features classified as derivative liabilities, both of which were previously classified as non-current liabilities, have been reclassified within current liabilities in the statement of financial position at December 31, 2023 to reflect the retrospective application of the amendments.

Thereby, the Company adopted the amendments on the effective date applying the amendments retrospectively. Certain amounts in the comparative period have been reclassified to reflect the retrospective application. Application of the amendments in the comparative period resulted in an increase in current liabilities of $24.9 million and a corresponding decrease in non-current liabilities of $24.9 million, due to the Company's convertible debenture reclassified from long-term debt to short-term, as at December 31, 2023

(Unaudited, Expressed in Canadian Dollars)

3. RECEIVABLES

	31-Mar-24	31-Dec-23
Accounts receivable	**$ 1,702,729**	$ 2,820,187
Finance lease receivable	**641,167**	535,439
Sales or value added tax receivables	**1,859,650**	1,285,205
Total	**$ 4,203,546**	$ 4,640,831

4. PROPERTY PLANT AND EQUIPMENT

	Land and Buildings	Plant and Mining equipment	Padding equipment	Spare parts	Computer equipment	Office equipment	Right-of-use assets	Total
Cost								
At December 31, 2022	$ 9,406,662	$ 28,133,603	$ 37,925,523	$ 3,015,314	$ 108,469	$ 30,846	$ 542,414	$ 79,182,378
Additions	270,705	(109,641)	2,842,484	310,334	320,791	-	-	3,634,673
Impairment	-	-	-	(1,783,331)	-	-	-	(1,783,331)
Disposals	(24,287)	(91)	(1,022,662)	(50,885)	-	-	-	(1,097,925)
Foreign currency translation adjustment	(407,098)	(1,322,128)	(740,342)	(40,784)	(27,481)	(4,533)	(10,515)	(2,572,428)
At December 31, 2023	**$ 9,245,982**	**$ 26,701,743**	**$ 39,005,003**	**$ 1,450,648**	**$ 401,779**	**$ 26,313**	**$ 531,899**	**$ 77,363,367**
Additions	94,023	477,017	371,964	838,914	84,307	-	-	1,866,225
Impairment	-	-	-	-	-	-	-	-
Disposals - Asset retirement obligation	-	(2,273,595)	-	-	-	-	-	(2,273,595)
Disposals	(17,854)	-	(76,664)	-	-	-	-	(94,518)
Foreign currency translation adjustment	(663,559)	(2,235,491)	824,804	93,932	(41,975)	(1,266)	10,714	(2,012,841)
At March 31, 2024	**$ 8,658,592**	**$ 22,669,674**	**$ 40,125,107**	**$ 2,383,494**	**$ 444,111**	**$ 25,047**	**$ 542,613**	**$ 74,848,638**
Accumulated depreciation								
At December 31, 2022	$ (1,008,366)	$ -	$ (24,892,541)	$ -	$ (4,028)	$ (26,409)	$ (144,799)	$ (26,093,428)
Depreciation	(90,205)	(900)	(2,697,578)	-	(11,332)	(881)	(87,844)	(2,888,740)
Disposals	17,184	-	778,089	-	-	-	-	795,273
Foreign currency translation adjustment	19,337	(81)	538,112	-	608	1,929	2,941	580,131
At December 31, 2023	**$ (1,062,050)**	**$ (981)**	**$ (26,273,918)**	**$ -**	**$ (14,752)**	**$ (25,361)**	**$ (229,702)**	**$ (27,606,764)**
Depreciation	(40,997)	(1,536)	(656,674)	-	(2,062)	(220)	(22,551)	(724,040)
Disposals	810	-	63,163	-	-	-	-	63,973
Foreign currency translation adjustment	(20,214)	-	(551,146)	-	1,106	1,471	(3,414)	(572,197)
At March 31, 2024	**$ (1,122,451)**	**$ (2,517)**	**$ (27,418,575)**	**$ -**	**$ (15,708)**	**$ (24,110)**	**$ (255,667)**	**$ (28,839,028)**
Carrying amounts								
At December 31, 2023	$ 8,183,932	$ 26,700,762	$ 12,731,085	$ 1,450,648	$ 387,027	$ 952	$ 302,197	$ 49,756,603
At March 31, 2024	**$ 7,536,141**	**$ 22,667,157**	**$ 12,706,532**	**$ 2,383,494**	**$ 428,403**	**$ 937**	**$ 286,946**	**$ 46,009,610**

As at March 31, 2024, included in padding equipment were assets under construction with a cost of $553,508 (December 31, 2023 - $394,917). No depreciation was recorded for assets under construction. There were no impairment charges recognized on property and equipment during the three months ended March 31, 2024 (December 31, 2023 - nil).

As at March 31, 2024, certain property, plant and equipment in the amount of $22,669,674 (December 31, 2023 - $26,805,234) is related to the development of the Punitaqui mine and has not been put into use and therefore depreciation has not commenced on these assets.

(Unaudited, Expressed in Canadian Dollars)

5. EXPLORATION AND EVALUATION ASSETS

The following table represents expenditures incurred on the exploration and evaluation assets for the three months ended March 31, 2024, and for the year ended December 31, 2023:

	Canadian Cobalt Projects	U.S. Cobalt Projects	U.S. Lithium Projects	South Korea Graphite Projects	Chile Copper Punitaqui Project	Total
	$	$	$	$	$	$
Balance as December 31, 2022	**21,980,842**	**1,788,094**	**395,815**	**2,132,799**	**20,357,428**	**46,654,978**
Additions during the year	250,558	-	-	205,770	9,968,862	10,425,190
Impairment	(41,935)	(1,244,964)	-		-	(1,286,899)
Currency translation adjustment	-	(16,274)	(9,447)	(116,683)	(1,544,405)	(1,686,809)
Balance as December 31, 2023	**22,189,465**	**615,272**	**394,830**	**2,221,886**	**28,781,885**	**54,203,338**
Additions during the period	57,282	2,276	2,708	48,804	2,266,111	2,377,181
Impairment	(3,626)	-	-		-	(3,626)
Currency translation adjustment	-	15,083	9,685	(35,748)	(2,059,118)	(2,070,098)
Balance as March 31, 2024	**22,243,121**	**632,631**	**407,223**	**2,234,942**	**28,988,878**	**54,506,795**

Chile Copper Project

Punitaqui Mining Complex, Chile

The Company holds the rights to 100% equity interest in the Punitaqui in the Coquimbo region of Chile.

Punitaqui includes a centralized process plant. The Company is currently modifying its existing tailings disposal permit while consolidating its various exploitation permits. Punitaqui is a past producing mining operation which consists of an integrated copper and gold mining complex including all required infrastructure and sources of water and power. The copper-gold process plant that is classified as property, plant and equipment consists of a standard copper sulphide crush-grind-flotation circuit to produce a marketable copper-gold concentrate.

6. TRADES AND OTHER PAYABLES

		31-Mar-24		31-Dec-23
Trade payables	$	**4,468,039**	$	4,579,419
Accrued liabillities		**1,361,213**		1,966,115
Total	$	**5,829,252**	$	6,545,534

(Unaudited, Expressed in Canadian Dollars)

7. VAT LIABILITY

Following the acquisition of the Punitaqui Mining Complex, the Company filed an application with, and received approval from, the Chilean Ministry of Economy, Development and Tourism (the "Ministry of Economy") to participate in a VAT-recovery program set in place by the Chilean government to incentivize Chilean exports (the "VAT Program"). The VAT Program allows the Company to recover the VAT paid on goods and services purchased by the Company, in advance of achieving agreed-upon amounts of to-be-exported mineral concentrates. As of March 31, 2024, the Company recovered $4,713,502 (December 31, 2023 - $3,925,430) under the VAT Program.

As part of the VAT Program, the Company issued, to the Chilean Treasury Department, promissory notes for the same amount of the VAT Recovered. The Promissory Notes guarantee the VAT recovered in case the Company is not able to demonstrate to the Ministry of Economy that it has exported mineral concentrates having a minimum value of USD$35.1 million (the "Export Value"), by December 31, 2023. The Company did not achieve the Export Value by December 31, 2023. However, in October 2023, the Company filed a request (the "Request"), with the Ministry of Economy, to extend the deadline to demonstrate the Export Value. On November 29, 2023, the Ministry of Economy approved the Request and extended the deadline for the Company to demonstrate that it will meet the minimum mineral concentrates export value to December 31, 2025. In addition, the Ministry of Economy also increased the minimum export value to USD $37.2 million.

Due to the extension of the deadline to repay the Ministry of Economy to December 31, 2025, the Company applied the discounted cash flow model to the existing total VAT liability to arrive at the corresponding present value. As at March31, 2024, the total VAT recovery was discounted using the Company's market yield of 12.30% to arrive at the present value of $4,016,806 and was recorded as a non-current liability to be repaid on December 31, 2025.

8. DEFERRED PAYMENTS ON ACQUISITION

		31-Mar-24		31-Dec-23
Deferred payment at beginning of the period	**$**	**5,070,680**	$	5,899,791
Payments during the period		**(410,493)**		(966,939)
Accretion expense		**134,124**		608,939
Currency translation adjustment, net of foreign currency impact		**(365,066)**		(188,402)
Modification gain		**-**		(282,709)
Deferred payments at end of the period	**$**	**4,429,245**	$	5,070,680
Current		**(1,641,968)**		(1,768,047)
Long term		**2,787,277**		3,302,633

On May 28, 2021, the Company entered into a number of agreements with Minera Altos de Punitaqui Limited ("MAP"), their parent company Xiana Mining Inc. ("Xiana") and their creditors, Bluequest Resources AG ("Bluequest"), to acquire the rights to certain properties, plant and equipment related to the Punitaqui Mining Complex ("Punitaqui") in Chile. As part of the total consideration of the acquisition, the Company agreed to make future payments to MAP to satisfy certain creditors' debts amounting to $8,080,000 over 23 quarterly installments beginning on June 30, 2021.

On September 28, 2023, the Company amended the timing of the deferred payments on the acquisition of Punitaqui by postponing the quarterly payments due on September 30, 2023 and December 31, 2023 to March 31, 2027 and June 30, 2027, respectively. The Company recalculated the present value of the amended deferred payments schedule using a discount rate of 11% and recorded a reduction to the deferred payments liability with a credit to gain on debt modification of $282,709 on September 30, 2023.

The undiscounted payments remaining as at March 31, 2024 was $5,336,396 (December 31, 2023 - $6,188,163), while the discounted deferred payments remaining as at March 31, 2024 was $4,429,245 (December 31, 2023 - $5,070,680).

(Unaudited, Expressed in Canadian Dollars)

9. COPPER PREPAYMENT LIABILITY

		31-Mar-24		31-Dec-23
Balance at the beginning of the period	$	-	$	-
Pre-payment received		6,775,000		-
Accrued interest		53,851		-
Balance at the end of the period		**6,828,851**		-
Less: current portion		(159,815)		-
Long-term portion	$	**6,669,036**	$	-

During the first quarter of 2024, the Company entered into a marketing agreement, a master purchase and sale agreement, a copper concentrate prepayment and advance payment terms arrangement (collectively, the "Javelin Agreements") with a subsidiary of Javelin Global Commodities ("Javelin"). Pursuant to the Javelin Agreements, Javelin intends to market the copper concentrate, gold, silver, and other metals, ("Product"), produced at the Company's Punitaqui Project, provide a USD$5,000,000 copper concentrate pre-payment and offer advance payment terms in respect of shipments of Product delivered from time to time in an amount of up to USD$20,000,000. The Company received the copper prepayment of USD$5,000,000 from Javelin on March 8, 2024.

The copper prepayment amount is due to be repaid to Javelin by the Company on or before December 31, 2026, through the delivery of copper concentrate or in cash. The outstanding balance of the prepaid amount will be subject to an advance payment fee chargeable from the date of the advance until the prepaid amount is reduced to zero, at a rate equal to the three-month SOFR (subject to SOFR floor of 2%) plus 7% per annum. The Company has guaranteed to deliver 9,000 metric tonnes of copper concentrate or the cash equivalent for any shortfall every quarter, starting on January 1, 2025. In addition, the Company will also provide Javelin with a fixed discount of USD$92 per metric tonne.

The early repayment option, variable interest rate and interest rate floor from the Javelin Agreement terms above represent three embedded derivatives that are closely related to the host contract. As a result, upon initially recognizing the pre-payment amount as a financial liability at its fair value, the Company subsequently elected to measure the pre-payment received from Javelin at amortized cost at an effective interest rate of 12.61%.

As at March 31, 2024, the current portion of the Javelin copper concentrate pre-payment liability is $159,815 (December 31, 2023 - $nil), while the long-term portion is $6,669,036 (December 31, 2023 - $nil). Interest accrued during the three months ended March 31, 2024, is $53,851 (three months ended March 31, 2023 - $nil).

10. ASSET RETIREMENT OBLIGATION

		31-Mar-24		31-Dec-23
Balance at the beginning of the period	**$**	**10,317,746**	$	10,918,524
Changes in estimates		**(2,273,596)**	-	813,670
Accretion expense		**35,165**		235,032
Foreign currency translation adjustment		**51,320**		530,164
Currency translation adjustment		**(756,265)**	-	552,304
Balance as March 31, 2024	**$**	**7,374,370**	$	10,317,746

On October 4, 2022, the Chilean mining authorities approved the transfer of the Punitaqui operational mining permits, which triggered the Company to recognize the asset retirement obligation arising from mining equipment and previously mined property interests. The provision consists primarily of costs associated with mine reclamation and closure activities. These activities, which tend to be site specific, generally include costs for decommissioning the mill complex and related infrastructure, physical and chemical stability of the tailings area and, post-closure site security and monitoring costs. The Company regularly reviews the estimate and considers such factors as changes in laws and regulations, and requirements under existing permits in determining the estimated costs.

On February 8, 2024, the Company received the approval of the updated mine closure plan and budget for the Punitaqui project from Chilean mining authorities. The newly approved costs as well as timing associated with carrying out the required mine reclamation and closure activities have been incorporated in the model the Company uses to estimate its asset retirement obligations.

The estimated undiscounted cash flows required to satisfy the reclamation and closure cost obligation as at March 31, 2024, were $10,102,235 (December 31,2023 – $13,663,630). The undiscounted cash flows were discounted using the ten-year Government of Chile Benchmark Bond rate of 2.45% for bonds issued in Chilean Units of Accounts (UF) to arrive at a discounted liability of $7,374,370 (December 31, 2023 - $10,317,746). The foreign currency translation adjustment from UF to Chilean pesos for the three months ended March 31, 2024 was $51,320 (three months ended March 31, 2023 - $152,102), while the cumulative translation adjustment from Chilean pesos to the Company's reporting currency (Canadian Dollar) for the three months ended March 31, 2024 was $756,265 (three months ended March 31, 2023 - $837,845).

(Unaudited, Expressed in Canadian Dollars)

11. LOANS AND BORROWINGS

		31-Mar-24		31-Dec-23
Finance agreements	$	7,065,166	$	2,597,984
Total loans and borrowings		**7,065,166**		**2,597,984**
Less: current portion		(1,107,638)		(732,424)
Long-term portion	$	**5,957,528**	$	**1,865,560**

Fiera Enhanced Private Debt Fund Credit Agreement

		31-Mar-24		31-Dec-23
Balance at the beginning of the period	$	-	$	-
Loan proceeds		5,000,000		-
Less: transaction costs		(415,610)		-
Balance at the end of the period		**4,584,390**		-
Less: current portion		(338,924)		-
Long-term portion	$	**4,245,466**	$	-

On March 8, 2024, the Company entered into an $8,000,000 credit agreement with Fiera Enhanced Private Debt Fund (“Fiera”, together “Fiera Loan”). The Fiera Loan bears a float interest rate that equals the prime rate plus an applicable margin and will mature on the third anniversary of the agreement. Monthly payment of $87,463 commences on April 15, 2024. The Company has drawn a first advance of $5,000,000 during the three months ended March 31, 2024, and intends to utilize the net proceeds towards the restart of its Punitaqui project in Chile. Total transaction costs of $415,610 were incurred and will be amortized over the term of the Fiera Loan.

As at March 31, 2024, the Fiera Loan is measured at amortized cost with an interest rate of 11.7%. The current portion of the Fiera Loan is $338,924 (December 31, 2023 - $nil), while the long-term portion is $4,245,466 (December 31, 2023 - $nil). Interest accrued as at March 31, 2024 totaled $37,479 (December 31, 2023 - $nil).

Other finance agreements

All other finance agreements were undertaken by the Company’s subsidiaries ESI Energy Services Inc. and Ozzie’s Inc. and include six US Dollar denominated loans outstanding as of March 31, 2024, relating to the purchase of three compact track loaders, one vehicle and one excavator that were financed through dealers in 2022 through 2023, and a sixth loan which is a lease agreement secured by Company equipment. The first five loans have terms ranging from four to five years with varying rates of interest up to 7.62%. The sixth loan is the largest which has a four-year term at an interest rate of 10.48% with monthly rental costs of USD $51,190.

(Unaudited, Expressed in Canadian Dollars)

12. CONVERTIBLE DEBENTURES

On October 17, 2023, the Company announced a private placement offering (the “Private Placement”) of senior unsecured convertible debentures (the “New Debentures”) for total gross proceeds of up to USD$6,000,000. Concurrently with the announcement of the Private Placement, the Company proposed to issue approximately USD$15,400,000 in New Debentures to the holders of previous indebtedness, which included the Bridge Loan, Promissory Note, and the 2022 convertible debentures, as part of a comprehensive debt consolidation to simplify the Company’s capital structure and extend the Company’s near-term debt maturities.

On October 19, 2023, the Company closed the first tranche of the Private Placement of the New Debentures for gross proceeds of USD$1,370,000. Concurrently, the Company also issued USD$15,408,039 in New Debentures to complete the comprehensive debt consolidation. On November 3, 2023, the Company closed the second tranche of the Private Placement of the New Debentures for gross proceeds of USD$1,915,000.

On February 16, 2024, the Company closed the third tranche of the Private Placement of the New Debentures for gross proceeds of USD$1,000,000. On March 11, 2024, the Company closed the fourth tranche of the Private Placement of the New Debentures for gross proceeds of USD$400,000.

The New Debentures bear annual interest of 10% and mature on September 30, 2026 (“Maturity Date”). Interest accrued from the date of issuance up to and including March 30, 2025 will be paid by way of issuance of common shares of the Company. Interest accrued following March 30, 2025 will be, at the option of the holder, paid either in cash or by way of issuance of common shares of the Company. The holder of a New Debenture may, at their option, at any time from March 31, 2024 and prior to the close of business on the business day immediately preceding the Maturity Date, convert all, but not less than all, of the principal amount of such New Debenture into common shares of the Company at the conversion price of USD $0.22 per share. The Company has the right, starting on March 31, 2024, with 15 days’ notice, to prepay the then outstanding principal and interest due.

The USD denominated conversion price and the prepayment option of the New Debentures represent embedded derivatives. The Company has elected to not separate these embedded derivatives from the underlying debt host contract, and instead, account for the entire New Debenture as a financial liability at fair value through profit or loss. The New Debentures were recognized at their estimated fair value at initial recognition using a lattice binomial valuation model, and then were revalued at the end of each reporting period, with the change in estimated fair value recognized through profit and loss.

As a result of the amendments to IAS 1 as further described in Note 2 of these Financial Statements, the New Debentures, which were previously classified as non-current liabilities, have been reclassified within current liabilities in the statement of financial position at December 31, 2023 to reflect the retrospective application of the amendments to IAS 1.

As at March 31, 2024, the New Debentures were valued at $27,229,338 and classified as a current liability. The Company recognized a loss of $471,827 from the remeasurement of the fair value of the financial liability.

The following valuation model along with the key inputs and assumptions were used in the determination of fair value of the New Debentures:

Valuation technique	Key inputs and assumptions	16-Feb-24	11-Mar-24	**31-Mar-24**
The fair value of the New Debentures has been calculated using a lattice binomial model	*Observable - Level 2*			
	Risk-free rate	4.141%	3.921%	**4.040%**
	Foreign exchange rate (USD:CAD)	1.3484	1.3491	**1.3550**
	Unobservable - Level 3			
	Volatility	95.9%	96.6%	**96.8%**
	Credit spread	5.55%	6.48%	**8.26%**

(Unaudited, Expressed in Canadian Dollars)

12. CONVERTIBLE DEBENTURES (cont'd…)

The carrying amount of the New Debentures is as follows:

		31-Mar-24		31-Dec-23
Convertible unsecured subordinated debentures				
Fair value at beginning of the period	**$**	**24,869,560**	$	-
Issuance of convertible debentures during the period		**1,887,951**		24,837,096
Change in fair value		**471,827**		32,464
Balance as March 31, 2024	**$**	**27,229,338**	$	24,869,560

For the fair value of the New Debenture at March 31, 2024, reasonably possible changes at the reporting date to one of the significant inputs, holding other inputs constant, would have the following effects:

Key inputs	Inter-relationship between significant inputs and fair value measurement	Fair value Increase (decrease)
Discount rate	Discount rate was 1% higher	(465,000)
	Discount rate was 1% lower	472,500
Stock volatility	Stock volatility was 5% higher	7,500
	Stock volatility was 5% lower	(25,000)

(Unaudited, Expressed in Canadian Dollars)

13. SHARE CAPITAL

a) Authorized share capital

The Company has authorized share capital of unlimited common shares without par value.

b) Share issuances

During the three months ended March 31, 2024, the Company:

i. Issued 400,001 common shares that were related to the vested restricted stock units

During the year ended December 31, 2023, the Company:

i. Issued 3,497,497 common shares that were related to the vested restricted stock units.

ii. Issued 5,217,186 common shares to fulfill the interest payment obligation related to the extinguished convertible debentures

c) Restricted stock units

The Company adopted the restricted share units plan ("RSU's") to allow the Board of Directors to grant its officers, directors, and consultants of the Company non-transferable share units based on fair value of the units at the date of grant. The awards vest over a one or three year period and expire after eight years. The total RSU expense for the three months ended March 31, 2024, was $179,803 (March 31, 2023: $ 409,810). There were no restricted stock units granted during the three months ended March 31, 2024.

Movements in the number of restricted share units outstanding are as follows:

	RSU
Outstanding at December 31, 2022	7,697,499
Granted	100,000
Excercised	(3,497,497)
Outstanding at December 31, 2023	4,300,002
Excercised	(400,001)
Forfeited	(266,667)
Outstanding at March 31, 2024	3,633,334

(Unaudited, Expressed in Canadian Dollars)

13. SHARE CAPITAL (cont'd…)

d) Stock options

The Company has an equity settled common share purchase plan (the "Stock Option Plan") under which the Board of Directors may grant options to purchase common shares to directors, officers, employees and independent contractors of the Company and/or its affiliates (collectively, the "Service Providers"). The maximum aggregate number of common shares under option at any time pursuant to the Stock Option Plan was 10% of the issued and outstanding common shares at the time of the grant.

Movements in the number of share options outstanding and their related weighted average exercise prices are as follows:

	Options	Weighted average excercise price
Outstanding at December 31, 2022	9,383,332	0.74
Granted	350,000	0.43
Expired	(212,500)	0.20
Outstanding at December 31, 2023	9,520,832	0.74
Forfeited	(1,080,000)	0.84
Outstanding at March 31, 2024	8,440,832	0.73

The Company uses the Black-Scholes option pricing model to estimate the fair value for all stock options. The expected volatility assumption inherent in the pricing model is based on the historical volatility of comparable companies over a term equal to the expected term of the option granted. Total stock-based compensation expense for the three months ended March 31, 2024, was $94,974 (March 31, 2023: $ 204,343). There were no options granted during the three months ended March 31, 2024.

During the year ended December 31, 2023, the Company granted 350,000 stock options at a weighted average exercise price of $0.43. The weighted average assumptions used in the stock option pricing model and the resulting weighted average fair values per option for the options granted during the year ended December 31, 2023, were as follows:

Risk-free rate:	2.90%
Expected life:	8 years (350,000)
Expected volatility:	76.56 % based on comparable companies
Expected dividends:	Nil
Weighted average fair value per option:	$0.13
Forfeiture rate:	0%

(Unaudited, Expressed in Canadian Dollars)

13. SHARE CAPITAL (cont'd…)

d) Stock options (cont'd…)

As of March31, 2024, the Company had outstanding and exercisable stock options as follows:

Options outstanding					Options exercisable		
Price	Number outstanding	Weighted-average remaining contractual life (years)	Weighted-average excerise price	Weighted-average Fair Value	Number excerisable	Weighted-average remaining contractual life (years)	Weighted-average exercise price
$0.85	5,000,000	5.01	0.85	0.41	6,666,666	5.01	0.85
$0.75	250,000	2.59	0.75	0.25	250,000	2.59	0.75
$0.65	270,832	5.76	0.65	0.29	270,832	5.76	0.65
$0.65	75,000	5.76	0.65	0.29	50,000	5.76	0.65
$0.65	1,395,000	5.94	0.65	0.24	930,000	5.94	0.65
$0.65	1,100,000	6.08	0.65	0.24	733,333	6.08	0.65
$0.43	350,000	6.63	0.43	0.13	116,667	6.63	0.43
	8,440,832	5.33	0.76	0.34	9,017,498	5.17	0.80

e) Performance share units ("PSUs")

The Company adopted the PSU plan to allow the Board of Directors to grant the Company's management personnel, officers and directors non-transferrable share units based on the fair value of the Company's common shares on the date of the grant. All the PSUs were granted in 2023 to certain management personnel, officers, and directors of the Company, in connection with the Company's 2022 fiscal year bonus incentive plan. The awards shall be fully vested on any single day that the Company's closing stock price reaches or exceeds $0.50 within the performance cycle between March 30, 2023 and March 30, 2026. The fair value and the expected vesting period of the PSUs are measured using the Monte Carlo simulation model at the time of grant. The key inputs and assumptions used in the model were as follows:

Risk-free rate:	3.26%
Expected volatility:	100% (historical 3 years prior to grant date)
Share price at grant date:	0.18
Forfeiture rate:	0%

The total PSU expense for the three months ended March 31, 2024, was $80,429 (March 31, 2023 - $nil). There were no PSUs vested or new PSUs granted as of March 31, 2024.

Movements in the number of PSUs outstanding are as follows:

	PSU
Outstanding at January 1, 2023	-
Granted	2,330,000
Outstanding at December 31, 2023	2,330,000
Forfeited	- 350,000
Outstanding at March 31, 2024	1,980,000

(Unaudited, Expressed in Canadian Dollars)

14. REVENUE

All the Company's revenues for the three months ended March 31, 2024, and three months March 31, 2023, were generated by ESI. ESI's revenue during the three months ended March 31, 2024, and March 31, 2023 was comprised of the following:

		For the three months ended March 31, 2024		For the three months ended March 31, 2023
Machine Rental				
Padding machines				
Large padders	**$**	**688,701**	$	294,061
Small padders		**522,955**		1,260,028
Screening buckets		**353,245**		98,194
Sand Delivery		**198,364**		13,980
Vacuum Lifters		**105,207**		-
Attachments		**58,326**		-
Rental revenue	**$**	**1,926,798**	$	1,666,263
Mobilization		**450,138**		152,291
Spare part sales		**59,036**		278,440
Machine sales		**569,210**		391,494
Other services		**156,211**		236,545
Other revenue	**$**	**1,234,595**	$	1,058,770
Total	**$**	**3,161,393**	$	2,725,033

For the three months ended March 31, 2024, $2,772,430 (March 31, 2023 - $2,311,594) of revenue was derived from seven (March 31, 2023 – eleven) customers that represented 88% (March 31, 2023 – 85 %) of the Company's revenue. As at March 31, 2024, $1,211,607 (March 31, 2023 - $1,679,750) from these customers was included in accounts receivable.

15. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

Fair value

Fair values of financial assets and liabilities are determined based on available market information and valuation methodologies appropriate to each situation. Judgments are required in the interpretation of the market data to produce the most appropriate fair value estimates. The use of different market information and/or evaluation methodologies may have a material effect on the fair value amounts. The fair value hierarchy establishes three levels to classify the inputs to valuation techniques used to measure fair value.

Level 1: Inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: Inputs are quoted prices in markets that are not active, quoted prices for similar assets or liabilities in active markets, inputs other than quoted prices that are observable for the asset or liability or inputs that are derived principally from or corroborated by observable market data or other means.

Level 3: Inputs are unobservable (supported by little or no market activity).

The fair value hierarchy gives the highest priority to Level 1 inputs and the lowest priority to Level 3 inputs.

The Company's fair values of financial assets and liabilities were as follows:

15. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (cont'd…)

	March 31, 2024				
	Carrying Amount	Level 1	Level 2	Level 3	Total Fair Value
Convertible debenture	**27,229,338**	-	-	**27,229,338**	**27,229,338**
	27,229,338	-	-	**27,229,338**	**27,229,338**

	December 31, 2023				
	Carrying Amount	Level 1	Level 2	Level 3	Total Fair Value
Convertible debenture	24,869,560	-	-	24,869,560	24,869,560
	24,869,560	-	-	24,869,560	24,869,560

The Company's financial instruments consist of cash, receivables, and trade and other payables, deferred payments on acquisition, loans and borrowings and convertible debenture. The fair value of the short-term working capital assets and liabilities approximates their carrying values due to the short-term nature of these instruments. The fair value of long-term debt approximates its carrying value as the contractual interest rates are comparable to current market interest rates, unless the long-term debt is classified as FVTPL. The Company is exposed to a variety of financial risks by virtue of its activities including currency, credit, interest rate, liquidity, and commodity price.

Currency risk

The Company conducts exploration and evaluation activities in the United States, Canada, South Korea and Chile and exposed to risk due to fluctuations in the exchange rates for the Canadian and foreign currencies. As at March 31, 2024, the Company had foreign currency liabilities and foreign currency assets in United States Dollars ("USD"), Chilean Pesos ("CLP"), Australian Dollars ("AUD"), and Korean Won ("KRW"). Each 10% change in the foreign currencies relative to the Canadian dollar will result in a foreign exchange gain/loss of approximately $4,308,060.

The table below shows the balances held in foreign currency:

March 31, 2024	USD $	KRW $	CLP $	Equivalent CAD $
Cash	368,430	6,034,494	2,282,407,977	3,952,886
Receivables	1,703,785	-	880,085,644	3,587,372
Prepaids	283,596	61,336	-	375,147
Trade and other payables	1,123,389	70,053,460	1,618,253,547	4,010,036
Income taxes payable	307,685	-	-	406,944
VAT liability	-	-	3,207,073,710	4,860,962
Convertible debenture	20,093,039	-	-	26,575,053
Deferred payments on acquisition	-	-	3,209,597,871	4,864,787
Lease liability	940,392	-	-	1,243,762
Loans and borrowings	6,830,831	-	-	9,034,457
Net exposure	**(26,939,525)**	**(63,957,630)**	**(4,872,431,507)**	**(43,080,596)**

Credit risk

Credit risk is the risk of financial loss to the Company if a counterparty to a financial instrument fails to meet its contractual obligations. The Company minimizes its credit exposure related to short term investments when applicable by selecting counterparties based on credit ratings and monitors all investments to ensure a stable return, avoiding complex investment vehicles with higher risk such as asset backed commercial paper. The Company's cash is held in significant financial institutions and the Company considers this risk to be remote. The Company's receivables primarily include balances receivable from the government of Canada and Chile. The Company invests cash with financial institutions that are financially sound based on their credit rating.

(Unaudited, Expressed in Canadian Dollars)

15. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (cont'd…)

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates, The Company's interest rate risk is minimal as there are no variable rate interest-bearing outstanding loans. The Company has not entered any interest rate swaps or other active interest rate management programs at this time.

Liquidity risk

Liquidity risk is the exposure of the Company to the risk of being unable to meet its financial obligations as they come due. The Company manages liquidity risk by monitoring and reviewing actual and forecasted cash flows to ensure there are available cash resources to meet these needs.

The Company expects that cash and cash flow from operations, will be sufficient to fund its presently anticipated requirements for investments in working capital and capital assets.

Contractual cash flow requirements as at March 31, 2024 were as follows:

	year 1 $	year 2 $	year 3 $	year 4 $	> 4 years $	Total $
Loans and borrowings	1,107,638	1,257,260	4,628,781	58,815	12,674	7,065,168
Trade payables	5,264,936	-	-	-	-	5,264,936
Income tax payables	3,967,826	-	-	-	-	3,967,826
Lease liability	342,764	395,627	454,823	81,017	-	1,274,231
Copper prepayment liability	1,121,940	4,487,760	2,874,672	-	-	8,484,372
Other current liabilities	4,016,806	-	-	-	-	4,016,806
Deferred payments on acquisition	1,641,968	1,375,048	1,232,478	179,752	-	4,429,246
Convertible debenture	-	27,229,338	-	-	-	27,229,338
Total	**17,463,879**	**34,745,033**	**9,190,754**	**319,584**	**12,674**	**61,731,923**

Commodity price risk

The ability of the Company to raise funds to explore and develop its exploration and evaluation assets and the future profitability of the Company are directly related to the price of copper, gold, cobalt, lithium, and graphite. The Company monitors copper, gold, cobalt, lithium, and graphite prices to determine the appropriate course of action to be taken. The Company does not engage in programs to mitigate its exposure to commodity price risk. On March 28, 2024 , the spot COMEX copper price was USD$ 4.00/lb.

Capital management

The Company manages its capital structure and adjusts it based on the funds available to the Company, in order to continue as a going concern. The Company considers capital to be the short-term and long-term debt, including convertible debenture, copper prepayment liability and other loans and borrowings, as well as equity. As at March 31, 2024, the total capital held by the Company is $90,363,661 (December 31, 2023 - $79,553,327). The Board of Directors of the Company does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business. Additional funds may be required to finance the Company. There has been no significant change to the Company's capital management policies during the three months ended March 31, 2024.

(Unaudited, Expressed in Canadian Dollars)

16. SEGMENTED INFORMATION

Operating segments are determined by the way information is reported and used by the Company's Chief Operating Decision Maker ("CODM") to review operating performance. The Company monitors the operating results of its operating segments independently for the purpose of making decisions about resource allocation and performance assessment.

The Company operates in three segments, one segment being the acquisition and exploration of exploration and evaluations assets located in Canada, United States, Chile and South Korea and the second segment for the operations of ESI, located in Canada and United States and the third segment being the corporate head office located in Canada.

The following table presents geographic information regarding operating segments.

For the period ended December 31, 2023	ESI	Exploration and Evaluation Properties				Corporate	Total
		Canada	USA	South Korea	Chile		
Exploration and evaluation	-	22,189,465	1,010,102	2,221,886	28,781,885	-	**54,203,338**
Property, plant, equipment	14,250,667	-	-	953	35,498,712	6,271	**49,756,603**
Total assets	18,702,027	22,189,465	1,010,102	2,229,294	65,549,379	1,785,573	**111,624,183**
Total liabilities	6,994,999	-	-	64,342	12,821,616	39,657,443	**59,538,400**

For the period ended March 31, 2024	ESI	Exploration and Evaluation Properties				Corporate	Total
		Canada	USA	South Korea	Chile		
Exploration and evaluation	-	22,243,121	1,039,854	2,234,942	28,988,878	-	**54,506,795**
Property, plant, equipment	14,519,961	-	-	938	31,482,439	6,272	**46,009,610**
Total assets	18,405,363	22,404,035	1,039,854	2,248,554	65,264,709	5,296,837	**114,659,352**
Total liabilities	11,204,586	-	-	71,455	16,656,007	41,572,661	**69,504,709**

(Unaudited, Expressed in Canadian Dollars)

16. SEGMENTED INFORMATION (cont'd…)

For the three months ended March 31, 2023	ESI	Exploration and Evaluation Properties				Corporate	Total
		Canada	USA	South Korea	Chile		
Revenue from contracts with customers	2,725,033	-	-	-	-	-	2,725,033
Total revenue	**2,725,033**	-	-	-	-	-	**2,725,033**
Depreciation of equipment	(699,345)	-	-	-	-	-	(699,345)
Impairment of exploration and evaluation assets	-	(8,094)	-	-	-	-	(8,094)
Management fees	(154,433)	-	(98,962)	-	-	(183,750)	(437,145)
Professional fees	-	-	-	-	-	(354,276)	(354,276)
Restricted stock units expense	-	-	-	-	-	(409,810)	(409,810)
Stock based compensation	-	-	-	-	-	(204,343)	(204,343)
Other costs and expenses	(2,296,086)	(591)	(162)	(47)	(18,396)	(400,109)	(2,715,391)
Loss from operations	**(424,831)**	**(8,685)**	**(99,124)**	**(47)**	**(18,396)**	**(1,552,288)**	**(2,103,371)**
Foreign exchange (loss) /gain	(10,018)	-	(77,096)	69,150	356,197	11,604	349,837
Finance costs	(117,310)	-	-	-	(57,469)	(517,401)	(692,180)
Other income and expenses	62,605	-	-	-	-	-	62,605
Gain (loss) for the year from continuing operations	**(489,554)**	**(8,685)**	**(176,220)**	**69,103**	**280,332**	**(2,058,085)**	**(2,383,109)**
Cumulative translation adjustment	(10,982)	-	(1,762)	(80,432)	3,077,381	-	2,984,205
Total net income (loss)	**(500,536)**	**(8,685)**	**(177,982)**	**(11,329)**	**3,357,713**	**(2,058,085)**	**601,096**

Non-cash items in net income (loss):

For the three months ended March 31, 2023	ESI	Exploration and Evaluation Properties				Corporate	Total
		Canada	USA	South Korea	Chile		
Accretion	-	-	-	-	(57,469)	(517,401)	(574,870)
Depreciation of equipment	(699,345)	-	-	-	-	-	(699,345)
Impairment of exploration and evaluation assets	-	(8,094)	-	-	-	-	(8,094)
Restricted stock units expense	-	-	-	-	-	(409,810)	(409,810)
Stock based compensation	-	-	-	-	-	(204,343)	(204,343)
Unrealized forex translation loss (gain)	(10,061)	-	(35,026)	69,390	(317,731)	(42,064)	(335,492)
Total non- cash items in net income (loss)	**(709,406)**	**(8,094)**	**(35,026)**	**69,390**	**(375,200)**	**(1,173,618)**	**(2,231,954)**

(Unaudited, Expressed in Canadian Dollars)

16. SEGMENTED INFORMATION (cont'd…)

For the three months ended March 31, 2024	ESI	Exploration and Evaluation Properties				Corporate	Total
		Canada	USA	South Korea	Chile		
Revenue from contracts with customers	3,161,393	-	-	-	-	-	3,161,393
Total revenue	**3,161,393**	-	-	-	-	-	**3,161,393**
Depreciation of equipment	(727,724)	-	-	-	-	-	(727,724)
Impairment of exploration and evaluation assets	-	(3,626)	-	-	-	-	(3,626)
Management fees	(451,064)	-	(167,040)	-	-	(110,074)	(728,178)
Professional fees	-	-	-	-	-	(172,071)	(172,071)
Performance share units expense	-	-	-	-	-	(80,429)	(80,429)
Restricted stock units expense	-	-	-	-	-	(179,803)	(179,803)
Stock based compensation	-	-	-	-	-	(94,974)	(94,974)
Other costs and expenses	(1,831,717)	-	(169)	(48)	(2,371,488)	(390,436)	(4,593,858)
Loss from operations	**150,888**	**(3,626)**	**(167,209)**	**(48)**	**(2,371,488)**	**(1,027,787)**	**(3,419,270)**
Foreign exchange (loss) /gain	(127,510)	-	(81,880)	(104,350)	(1,705,070)	2,018,362	(448)
Finance costs	(132,851)	-	-	-	(88,967)	(222,184)	(444,002)
Loss on remeasurement of convertible debenture	-	-	-	-	-	(480,106)	(480,106)
Other income and expenses	48,631	-	-	-	-	-	48,631
Gain (loss) for the year from continuing operations	**(60,842)**	**(3,626)**	**(249,089)**	**(104,398)**	**(4,165,525)**	**288,285**	**(4,295,195)**
Income tax expense	(956)	-	-	-	-	-	(956)
Cumulative translation adjustment	368,006	-	24,768	(35,748)	(3,347,222)	-	(2,990,196)
Total net income (loss)	**306,208**	**(3,626)**	**(224,321)**	**(140,146)**	**(7,512,747)**	**288,285**	**(7,286,347)**

(Unaudited, Expressed in Canadian Dollars)

16. SEGMENTED INFORMATION (cont'd…)

Non-cash items in net income (loss):

For the three months ended March 31, 2024	ESI	Exploration and Evaluation Properties				Corporate	Total
		Canada	USA	South Korea	Chile		
Accretion	-	-	-	-	(88,967)	(219,295)	(308,262)
Depreciation of equipment	(727,724)	-	-	-	-	-	(727,724)
Impairment of exploration and evaluation assets	-	(3,626)	-	-	-	-	(3,626)
Performance share units expense	-	-	-	-	-	(80,429)	(80,429)
Restricted stock units expense	-	-	-	-	-	(179,803)	(179,803)
Stock based compensation	-	-	-	-	-	(94,974)	(94,974)
Loss on finance lease termination	(6,715)	-	-	-	-	-	(6,715)
Deferred income tax recovery	(956)	-	-	-	-	-	(956)
Loss on remeasurement of convertible debenture	-	-	-	-	-	(480,106)	(480,106)
Unrealized forex translation loss (gain)	(127,510)	-	(81,890)	(104,259)	(4,349,673)	4,662,884	(448)
Total non- cash items in net (loss) income	**(862,905)**	**(3,626)**	**(81,890)**	**(104,259)**	**(4,438,640)**	**3,608,277**	**(1,883,044)**

17. SUBSEQUENT EVENTS

On May 13, 2024, the Company initiated copper concentrate production at Punitaqui. The source of slags supply is made possible by an Offtake Agreement signed with Anglo-American PLC ("Anglo") on February 13, 2024. Anglo has agreed to purchase all the copper concentrate to be produced by the Company's Punitaqui copper flotation plant from the 240,000 tonnes of Anglo-supplied copper smelter slags.