



# **BATTERY MINERAL RESOURCES CORP.**

**CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

**FOR THE THREE AND SIX MONTHS ENDED JUNE 30, 2025**  
**(Unaudited – Prepared by Management)**

**(Expressed in Canadian Dollars)**

**NOTICE OF NO AUDITOR REVIEW OF THE  
CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

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

The accompanying unaudited condensed interim consolidated financial statements of the Company for the three and six months ended June 30, 2025, and 2024 have been prepared by and are the responsibility of the Company's management and have not been reviewed by the Company's auditors.

# BATTERY MINERAL RESOURCES CORP.

## CONDENSED INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

(Expressed in Canadian Dollars)

As at

	Note	June 30, 2025	December 31, 2024
<b>ASSETS</b>			
<b>Current assets</b>			
Cash		\$ 848,671	\$ 2,859,283
Receivables	4	13,309,654	12,535,595
Inventories	5	1,892,189	1,856,981
Prepays		354,331	618,912
<b>Total current assets</b>		<b>16,404,845</b>	<b>17,870,771</b>
<b>Non-current assets</b>			
Mineral properties, plant and equipment	6	60,042,488	58,214,385
Intangible assets		143,072	157,310
Exploration and evaluation assets	7	19,108,773	19,115,412
<b>Total non-current assets</b>		<b>79,294,333</b>	<b>77,487,107</b>
<b>TOTAL ASSETS</b>		<b>\$ 95,699,178</b>	<b>\$ 95,357,878</b>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Trade and other payables	8	\$ 29,661,138	\$ 20,294,375
Income taxes payable		228,637	901,960
Current portion of lease liability	12	1,439,390	2,058,425
Current portion of loans and borrowings	15	1,087,034	1,039,508
Convertible debenture	16	32,380,329	32,643,225
Promissory note	13	5,808,735	5,893,929
Current portion of deferred payments on acquisition	10	1,633,317	1,722,627
Current portion of copper prepayment liability	11	3,094,026	3,202,897
VAT liability	9	5,699,684	5,445,067
Deferred revenue		563,719	740,294
<b>Total current liabilities</b>		<b>81,596,009</b>	<b>73,942,307</b>
<b>Non-current liabilities</b>			
Lease liability	12	431,343	995,919
Deferred payments on acquisition	10	1,414,789	1,993,637
Loans and borrowings	15	6,298,620	6,886,226
Copper prepayment liability	11	3,715,500	4,767,792
Asset retirement obligation	14	8,327,009	8,182,896
Income tax provision		883,644	883,644
<b>Total non-current liabilities</b>		<b>21,070,904</b>	<b>23,710,114</b>
<b>TOTAL LIABILITIES</b>		<b>102,666,913</b>	<b>97,652,421</b>
<b>EQUITY</b>			
Share capital	17	64,524,885	64,524,885
Contributed surplus	17	22,526,517	22,508,911
Accumulated other comprehensive loss		(2,749,388)	(3,547,668)
Deficit		(91,269,749)	(85,780,671)
<b>TOTAL (DEFICIT) EQUITY</b>		<b>(6,967,735)</b>	<b>(2,294,543)</b>
<b>TOTAL LIABILITIES AND EQUITY</b>		<b>\$ 95,699,178</b>	<b>\$ 95,357,878</b>

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

Nature of operations and going concern	1
Subsequent events	23

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 June 30, 2025	For the three months ended June 30, 2024	For the six months ended June 30, 2025	For the six months ended June 30, 2024
<b>REVENUE</b>					
Sales	18	\$ 15,205,408	\$ 4,263,619	\$ 33,589,558	7,425,012
Cost of sales		10,024,810	592,759	20,513,761	970,433
Depreciation and amortization		1,237,605	741,125	2,400,997	1,468,849
Gross profit		3,942,993	2,929,735	10,674,800	4,985,730
<b>EXPENSES</b>					
Impairment of exploration and evaluation assets	7	-	-	-	3,626
Management fees		172,972	247,444	472,366	975,622
Operating and maintenance		1,869,002	1,401,927	3,354,907	2,644,553
Professional fees		481,109	230,123	526,818	402,194
Restricted share units expense	17	2,393	11,069	7,970	190,872
Performance share units expense	17	-	17,677	-	98,106
General and administration		2,940,918	3,363,487	6,976,694	6,337,045
Stock option expense	17	2,381	23,279	9,636	118,253
<b>Loss from operations</b>		<b>(1,525,782)</b>	<b>(2,365,271)</b>	<b>(673,591)</b>	<b>(5,784,541)</b>
Finance costs	11,12,13,15	(904,990)	(1,045,374)	(1,725,577)	(1,489,376)
Foreign exchange gain (loss)		(2,294,857)	183,253	(3,530,590)	182,805
Gain on sale of royalty interest	6	-	-	132,998	-
Gain (loss) on remeasurement of convertible debentures	16	820,672	(168,710)	262,896	(648,816)
Other income		29,739	44,308	44,787	92,939
<b>Loss before taxes</b>		<b>\$ (3,875,218)</b>	<b>\$ (3,351,794)</b>	<b>\$ (5,489,077)</b>	<b>\$ (7,646,989)</b>
<b>Income taxes</b>					
Current Income tax expense		-	-	-	(956)
<b>Loss for the period</b>		<b>(3,875,218)</b>	<b>(3,351,794)</b>	<b>(5,489,077)</b>	<b>(7,647,945)</b>
Currency translation adjustment		1,080,357	1,465,974	798,280	(1,524,222)
<b>Comprehensive (loss) gain for the period attributable to common shareholders</b>		<b>\$ (2,794,861)</b>	<b>\$ (1,885,820)</b>	<b>\$ (4,690,797)</b>	<b>\$ (9,172,167)</b>
<b>Loss per share</b>					
Basic and diluted loss per ordinary share		\$ (0.02)	\$ (0.02)	\$ (0.03)	(0.04)
Basic and diluted weighted average number of ordinary shares outstanding		181,070,296	180,986,963	181,070,296	180,842,601

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

## BATTERY MINERAL RESOURCES CORP.

### 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
		\$	\$	\$	\$	\$
<b>Balance at December 31, 2023 (Restated - Note 3)</b>	<b>180,420,295</b>	<b>64,184,967</b>	<b>22,740,403</b>	<b>(3,508,445)</b>	<b>(29,465,572)</b>	<b>53,951,353</b>
Performance share units expense (Note 17)	-	-	46,726	-	-	46,726
Restricted share units expense (Note 17)	-	-	125,025	-	-	125,025
Stock based compensation (Note 17)	-	-	(63,326)	-	-	(63,326)
Restricted share units - vested and exercised	608,335	339,918	(339,917)	-	-	-
Loss for the period	-	-	-	-	(56,315,100)	(56,315,100)
Currency translation adjustment	-	-	-	(39,223)	-	(39,223)
<b>Balance at December 31, 2024</b>	<b>181,028,630</b>	<b>64,524,885</b>	<b>22,508,911</b>	<b>(3,547,668)</b>	<b>(85,780,672)</b>	<b>(2,294,543)</b>
Restricted share units expense (Note 17)	166,667	-	7,970	-	-	7,970
Stock based compensation (Note 17)	-	-	9,636	-	-	9,636
Loss for the period	-	-	-	-	(5,489,077)	(5,489,077)
Currency translation adjustment	-	-	-	798,280	-	798,280
<b>Balance at June 30, 2025</b>	<b>181,195,297</b>	<b>64,524,885</b>	<b>22,526,517</b>	<b>(2,749,388)</b>	<b>(91,269,749)</b>	<b>(6,967,735)</b>

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

# BATTERY MINERAL RESOURCES CORP.

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

	For the three months ended June 30, 2025	For the three months ended June 30, 2024	For the six months ended June 30, 2025	For the six months ended June 30, 2024
<b>CASH FLOWS FROM (TO) OPERATING ACTIVITIES</b>				
Net loss for the period	(3,875,218)	(3,351,794)	\$ (5,489,077)	\$ (7,647,945)
Items not affecting cash:				
Accretion	(65,200)	673,193	615,483	981,455
Depreciation	1,237,617	741,125	2,400,998	1,468,849
Impairment of exploration and evaluation assets	-	-	-	3,626
Restricted share units expense	2,393	11,069	7,970	190,872
Stock option expense	2,381	23,279	9,636	118,253
Performance share units expense	-	17,677	-	98,106
Loss on finance lease termination	-	-	-	6,715
Gain on sale of royalty interest	-	-	(132,998)	-
Finance costs	919,581	-	1,200,800	-
Loss (gain) on remeasurement of asset retirement obligation	(177,614)	-	(177,614)	-
Loss (gain) on remeasurement of VAT Liability	(169,277)	-	(169,277)	-
Loss (gain) on remeasurement of convertible debenture	(820,672)	168,710	(262,896)	648,816
Unrealized foreign translation loss (gain)	3,139,043	(183,253)	3,290,547	(182,805)
<b>Changes in non-cash working capital items:</b>				
Inventory	(862,917)	191,902	(35,208)	(22,552)
Receivables	(1,297,718)	386,285	(774,059)	1,057,273
Prepaid expenses	32,834	121,423	264,581	(4,429)
VAT liability	(430,224)	(825,876)	-	(1,080,870)
Trade and other payables	5,183,993	3,416,249	9,257,133	3,240,667
Income taxes payable	(298,996)	(90,482)	(673,323)	(90,631)
Deferred revenue	13,678	(192,786)	(176,575)	42,397
Other current assets	-	(125,252)	-	(242,031)
Other non-current assets	-	2,799,960	-	2,799,960
Other non-current liabilities	236,129	(3,330,605)	-	(3,754,413)
<b>Net cash provided by (used in) continuing operating activities</b>	<b>2,769,813</b>	<b>450,824</b>	<b>9,156,121</b>	<b>-</b>
<b>CASH FLOWS FROM (TO) INVESTING ACTIVITIES</b>				
Exploration and evaluation assets - Punitaqui	-	(4,965,211)	-	(7,468,144)
Exploration and evaluation assets - other	(6,824)	(73,249)	(32,782)	(184,312)
Sale of mineral interest	-	-	10,523	-
Acquisition of property, plant and equipment - Punitaqui	(3,824,406)	-	(5,592,883)	(200,105)
Other acquisition of property, plant and equipment	(733,464)	(2,303,178)	(1,670,080)	(3,880,421)
Purchase of intangible assets	-	(5,400)	-	(6,062)
Lease payments	(438,362)	-	(1,265,610)	-
<b>Net cash used in investing activities</b>	<b>(5,003,056)</b>	<b>(7,347,038)</b>	<b>(8,550,832)</b>	<b>(11,739,044)</b>
<b>CASH FLOWS FROM (TO) FINANCING ACTIVITIES</b>				
Proceeds from new convertible debenture	-	-	-	1,879,672
Proceeds (payments) from deferred payments on acquisition	(884,614)	-	(884,614)	-
Proceeds (payments) from copper prepayment	13,079	-	(1,252,215)	7,013,161
Proceeds (payments) from loans and borrowings	(241,020)	2,997,994	(997,551)	7,582,384
Proceeds from bridge loan and promissory note	-	1,027,200	-	1,027,200
Proceeds from royalty financing	144,840	-	144,840	-
Repayment of long term debt	-	(2,236,664)	-	(2,493,802)
<b>Net cash (used in) provided by financing activities</b>	<b>(967,715)</b>	<b>1,788,530</b>	<b>(2,989,540)</b>	<b>15,008,615</b>
<b>Effects of exchange rate changes upon consolidation</b>	<b>655,715</b>	<b>(744,403)</b>	<b>373,640</b>	<b>32,192</b>
<b>Change in cash during the period</b>	<b>(2,545,243)</b>	<b>(5,852,087)</b>	<b>(2,010,611)</b>	<b>933,076</b>
<b>Cash, beginning of the period</b>	<b>3,393,914</b>	<b>7,673,304</b>	<b>2,859,283</b>	<b>888,141</b>
<b>Cash, end of the period</b>	<b>\$ 848,671</b>	<b>\$ 1,821,217</b>	<b>\$ 848,671</b>	<b>\$ 1,821,217</b>

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

# BATTERY MINERAL RESOURCES CORP.

Notes to Condensed Interim Consolidated Financial Statements

(Unaudited, Expressed in Canadian Dollars)

For the three and six months ended June 30, 2025

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## 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 mine operations at the producing Punitaqui Mine Complex ("Punitaqui"), located in Chile, and the acquisition and exploration of mineral exploration and evaluation assets in Canada, the United States, and Chile. The Company's holdings include exploration and mining properties targeting copper-silver, cobalt-silver, and lithium.

The Company has not yet determined whether the exploration and evaluation properties contain economically recoverable mineral resources. The underlying value of the resource interests is entirely dependent on the existence of economically recoverable resources, 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 June 30, 2025, the Company had a working capital deficiency of \$65,191,164 (December 31, 2024 – working capital deficiency of \$56,071,536). For the three and six months ended June 30, 2025, the Company recorded a net loss of \$3,875,218 and \$5,489,077 (2024 - \$3,351,794 and \$7,647,989). For the three and six months ended June 30, 2025, the Company recorded net cash inflow from operating activities of \$2,769,813 and \$9,156,121 (2024 – cash inflow from operating activities of \$450,824 and outflow of \$2,368,687).

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, 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 its 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.

## BATTERY MINERAL RESOURCES CORP.

Notes to Condensed Interim Consolidated Financial Statements  
(Unaudited, Expressed in Canadian Dollars)  
For the three and six months ended June 30, 2025

### 2. BASIS OF PREPARATION

#### Statement of compliance

These condensed interim consolidated financial statements for the three and six months ended June 30, 2025 ("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, 2024, 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 August 27, 2025.

#### 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 ("Minera") was the Chilean peso as of June 30, 2024, and was subsequently changed to US dollar on the basis that the project moved into development phase. The change in functional currency is applied prospectively. 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	Mineral Production	Chile



## **BATTERY MINERAL RESOURCES CORP.**

Notes to Condensed Interim Consolidated Financial Statements

(Unaudited, Expressed in Canadian Dollars)

For the three and six months ended June 30, 2025

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### **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, 2024.

#### **Summary of accounting policies**

The accounting policies, methods of computation and presentation applied in these condensed interim financial statements are consistent with those in Note 3 of the annual financial statements for the year ended December 31, 2024, including the adoption of amendments to IAS 1 as further described below.

#### **Adoption of new standards and interpretations**

The following new standards and interpretations have been adopted since the release of the Company's consolidated financial statements for the year ended December 31, 2023.

##### *Classification of Liabilities as Current or Non-Current (Amendments to IAS 1)*

The IASB has published Classification of Liabilities as Current or Non-Current (Amendments to IAS 1) which clarifies the guidance on whether a liability should be classified as either current or non-current. The amendments:

- clarify that the classification of liabilities as current or non-current should only be based on rights that are in place "at the end of the reporting period"
- clarify that classification is unaffected by expectations about whether an entity will exercise its right to defer settlement of a liability
- make clear that settlement includes transfers to the counterparty of cash, equity instruments, other assets or services that result in extinguishment of the liability.

These amendments were adopted by the Company on January 1, 2024, on a retrospective basis. On adoption, there was an impact of the Company convertible debentures, which included a conversion option that was accounted for as an embedded derivative. 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, 2024, to reflect the retrospective application of the amendments.

## BATTERY MINERAL RESOURCES CORP.

Notes to Condensed Interim Consolidated Financial Statements  
(Unaudited, Expressed in Canadian Dollars)  
For the three and six months ended June 30, 2025

### 2. BASIS OF PREPARATION (cont'd...)

Thereby, upon adoption of these amendments, 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 \$24,869,560 and a corresponding decrease in non-current liabilities of \$24,869,530, due to the Company's convertible debenture reclassified from long-term debt to short-term in the year 2024.

The following new standards and interpretations have been published that are not mandatory for the current period and have not been early adopted.

#### *Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates*

On August 15, 2023, the IASB issued amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates. The amendments provide guidance to specify when a currency is exchangeable and how to determine the exchange rate when it is not. The amendments are effective for reporting periods beginning on or after January 1, 2025. These amendments are not expected to have a significant impact on the Company's financial statements.

#### *IFRS 18 Presentation and Disclosures in Financial Statements*

On April 9, 2024, the IASB issued IFRS 18 Presentation and Disclosures in Financial Statements. The objective of the new standard is to set out requirements for the presentation and disclosure of information in general purpose financial statements to help ensure they provide relevant information that faithfully represents an entity's assets, liabilities, equity, income and expenses. The new standard is effective for reporting periods beginning on or after January 1, 2027. Management is currently assessing the impact of the new standard on the Company's interim and annual financial statements.

#### *Amendments to IFRS 9 and IFRS 7*

On May 30, 2024, the IASB issued amendments to the classification and measurement of financial instruments to address matters identified during the post-implementation review of the classification and measurement requirements of IFRS 9. The IASB clarified the recognition and derecognition date of certain financial assets and liabilities, and amended the requirements related to settling financial liabilities using an electronic payment system. It also clarified how to assess the contractual cash flow characteristics of financial assets in determining whether they meet the solely payments of principal and interest criterion, including financial assets that have environmental, social and corporate governance-linked features and other similar contingent features. The IASB added disclosure requirements for financial instruments with contingent features that do not relate directly to basic lending risks and costs and amended disclosures relating to equity instruments designated at fair value through other comprehensive income. The amendments are effective for reporting periods beginning on or after January 1, 2026. Management is currently assessing the impact of the new standard on the Company's financial statements.

### 3. RESTATEMENT OF COMPARATIVE FIGURES

During the year ended December 31, 2024, the Company reversed an uncertain tax provision in the prior year's financial statements related to the tax treatment of multinational structures. As a result, the comparative figures for the year ended December 31, 2023, have been restated to reflect this reversal in accordance with IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors.

The restatement affected the Company's previously reported income tax expense and related tax balances. The correction has been reflected in the comparative information presented in these financial statements. There was no impact on the Company's previously reported cash flows.

	As reported			Correction		Restated
	December 31, 2023					
Income tax receivable	\$	1,393,996	\$	(1,393,996)	\$	-
Current income tax payable		3,958,002		3,259,558		698,443
Income tax gain (expense)	\$	(825,883)	\$	1,865,562	\$	1,039,679

**BATTERY MINERAL RESOURCES CORP.**  
Notes to Condensed Interim Consolidated Financial Statements  
(Unaudited, Expressed in Canadian Dollars)  
For the three and six months ended June 30, 2025

**4. RECEIVABLES**

	June 30, 2025	December 31, 2024
Accounts receivable	\$ 5,127,618	\$ 8,100,618
Finance lease receivable	371,011	167,346
Sales or value added tax receivables	7,811,025	4,267,631
Total	\$ 13,309,654	\$ 12,535,595

**5. INVENTORIES**

	June 30, 2025	December 31, 2024
Concentrates	\$ 644,260	\$ 742,125
Stockpiles	1,247,929	1,114,856
Total	\$ 1,892,189	\$ 1,856,981

The amount of inventories recognized in cost of sales was \$17,250,184 during the six months ended June 30, 2025 (2024 - \$Nil).

**6. MINERAL PROPERTIES, PLANT AND EQUIPMENT**

	Land and Buildings	Plant and Mining equipment	Mineral properties	Padding equipment	Spare parts	Office and other equipment	Right-of-use assets	Total
<b>Cost</b>								
At December 31, 2024	\$ 5,386,030	\$ 18,479,297	\$ 17,938,750	\$ 43,818,540	\$ 2,781,384	\$ 714,488	\$ 2,639,026	\$ 91,757,516
Additions	-	2,945,749	2,181,182	1,465,354	965,171	59,300	-	7,616,766
Sale of mineral interests	-	-	(10,523)	-	-	-	-	(10,523)
Disposals - Asset retirement obligation	-	(183,490)	-	-	-	-	-	(183,490)
Disposals	-	-	-	(713,728)	-	-	-	(713,728)
Foreign currency translation adjustment	(187,916)	(1,070,388)	(1,001,710)	(1,988,177)	(167,166)	(35,160)	(131,919)	(4,582,438)
At June 30, 2025	\$ 5,198,114	\$ 20,171,168	\$ 19,107,699	\$ 42,581,989	\$ 3,579,389	\$ 738,628	\$ 2,507,107	\$ 93,884,093
<b>Accumulated depreciation</b>								
At December 31, 2024	\$ (1,063,617)	\$ (270,179)	\$ -	\$ (30,714,196)	\$ -	\$ (78,720)	\$ (1,416,419)	\$ (33,543,131)
Depreciation	(60,898)	(417,990)	-	(1,230,541)	-	(149,514)	(536,396)	(2,395,338)
Disposals	-	-	-	553,949	-	-	-	553,949
Foreign currency translation adjustment	44,265	26,003	-	1,381,015	-	5,917	85,714	1,542,914
At June 30, 2025	\$ (1,080,250)	\$ (662,166)	\$ -	\$ (30,009,773)	\$ -	\$ (222,317)	\$ (1,867,101)	\$ (33,841,607)
<b>Carrying amounts</b>								
At December 31, 2024	\$ 4,322,413	\$ 18,209,117	\$ 17,938,750	\$ 13,104,344	\$ 2,781,384	\$ 635,768	\$ 1,222,607	\$ 58,214,385
At June 30, 2025	\$ 4,117,864	\$ 19,509,002	\$ 19,107,699	\$ 12,572,216	\$ 3,579,389	\$ 516,311	\$ 640,006	\$ 60,042,488

As at June 30, 2025, included in padding equipment were assets under construction with a cost of \$1,881,186 (December 31, 2024 - \$1,158,656). No depreciation was recorded for assets under construction. There was no impairment charge recognized on property and equipment during the six months ended June 30, 2025 (December 31, 2024 - \$18,634,787).

## **BATTERY MINERAL RESOURCES CORP.**

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### **6. MINERAL PROPERTIES, PLANT AND EQUIPMENT (cont'd...)**

#### **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 producing mining operation which consists of an integrated copper and silver mining complex including all required infrastructure and sources of water and power. The copper-silver 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.

In July 2024, the Company concluded that required funding and permits to advance the Punitaqui Project have been received, the approval from the Board of Directors to develop the Punitaqui Project has been obtained and the assessment of commercial viability of the Punitaqui Project has been completed. As a result, the Punitaqui Project was transferred from exploration and evaluation assets to mineral properties.

The Company under IFRS 16, conducted an impairment assessment of its mineral properties, plant and equipment. As a result of the assessment, the Company recognized impairment losses arising from the difference in value in use and carrying amount totalling \$16,894,895 related to plant and equipment and split pro rata over its asset classes. The impairment is determined by IAS 36 and the impairment charges has been recorded as other expenses in the statement of loss and comprehensive loss.

A second impairment assessment was performed as at December 31, 2024, due to actual production falling short of forecast. As a result of this assessment, the Company recognized impairment losses totalling \$1,339,616 of which is related to plant and equipment and split pro rata over its asset classes including mineral properties. The impairment is determined by IAS 36, and the impairment charge has been recorded as other expenses in the statement of loss and comprehensive loss. Management will continue to monitor the assets and reassess its value periodically.

The following are the key assumptions used in both impairment testing calculations for the year ended December 31, 2024.

#### Commodity Price Assumptions

A long-term real copper price per pound of US\$3.83 – 4.49 was used in preparing the discounted cash flow model. Commodity price assumptions use current prices in the initial year and trend to the long-term prices in the information referenced above. Prices are based on a number of factors, including historical data, analyst estimates and forward curves in the near term and are benchmarked with external sources of information, including information published by our peers and market transactions, where possible, to ensure they are within the range of values used by market participants.

#### Discount Rates

A pre-tax discount rate of 26% was used in preparing the discounted cash flow model. Discount rates are based on market participant mining weighted average costs of capital adjusted for risks specific to the asset, where appropriate.

## **BATTERY MINERAL RESOURCES CORP.**

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### **6. MINERAL PROPERTIES, PLANT AND EQUIPMENT (cont'd...)**

#### Reserves and Resources and Mine Production

Future mineral production is included in life of mine projected cash flows based on plant capacities and resource estimates, and related exploration and evaluation work undertaken by appropriately qualified persons.

#### Operating Costs and Capital Expenditures

Operating costs and capital expenditures are based on life of mine plans and internal management forecasts. Cost estimates incorporate management experience and expertise, current operating costs, the nature and location of the operation, and the risks associated with the operation. Future capital expenditures are based on management's best estimate of expected future capital requirements, with input from management's experts where appropriate. All committed and anticipated capital expenditures based on future cost estimates have been included in the projected cash flows. Operating cost and capital expenditure assumptions are subject to ongoing optimization and review by management.

#### Recoverable Amount

Estimates used in calculating the recoverable amount are classified as Level 3 measurements within the fair value measurement hierarchy (Note 20).

#### **Sale of royalty interest**

In November 2024, the Company entered into a definitive agreement with Electric Royalties Ltd. (Electric Royalties) to sell a 0.75% Gross Revenue Royalty ("GRR") on its Punitaqui Project in Chile, in exchange for cash consideration of \$3,500,000. The Company has the right to buy back half of the 0.75% GRR sold to Electric Royalties for a cash payment of US\$1,500,000, when the Company has made royalty payments to Electric Royalties in excess of \$4,000,000. In December 2024, the Company closed a second sale of royalty interest of 0.15% GRR to investors for additional cash consideration of \$500,000 and another US\$100,000 was received in January 2025 for a 0.03% GRR.

The sale of royalty interests has been treated as a sale of mineral interest. The portion of the mineral interest sold was determined based on the difference of the net present value of the Company's Punitaqui Project's carrying value incorporated with and without the royalty payments embedded in the cash flow projections. The portion of the cash proceeds received from Electric Royalties exceeding the mineral properties interest sold was recorded as a gain during the year.

As of June 30, 2025, the Company has sold mineral properties in the amount of \$10,523 (December 31, 2024 - \$307,633) and recorded a gain on the sale of royalty interest of \$132,998 (2024 - \$Nil).

On July 11, 2025, the Company closed an additional sale of royalty interest, see Note 23 for further information.

**BATTERY MINERAL RESOURCES CORP.**  
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## 7. EXPLORATION AND EVALUATION ASSETS

The following table represents expenditures incurred on the exploration and evaluation assets for the six months ended June 30, 2025, and for the year ended December 31, 2024:

	Canadian Cobalt Projects \$	U.S. Cobalt Projects \$	U.S. Lithium Projects \$	South Korea Graphite Projects \$	Chile Copper Punitaqui Project \$	Total \$
<b>Balance, December 31, 2023</b>	<b>22,189,465</b>	<b>615,272</b>	<b>394,830</b>	<b>2,221,886</b>	<b>28,781,885</b>	<b>54,203,338</b>
Additions during the year	159,833	86,244	13,999	140,053	5,426,672	5,826,801
Transfers to mineral properties, plant and equipment	-	-	-	-	(17,354,585)	(17,354,585)
Impairment	(3,994,235)	-	(444,319)	(2,390,470)	(15,551,507)	(22,380,531)
Currency translation adjustment	-	58,833	35,490	28,531	(1,302,465)	(1,179,611)
<b>Balance, December 31, 2024</b>	<b>18,355,063</b>	<b>760,349</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>19,115,412</b>
Additions during the year	23,573	9,209	-	-	-	32,782
Transfers to mineral properties, plant and equipment	-	-	-	-	-	-
Currency translation adjustment	-	(39,421)	-	-	-	(39,421)
<b>Balance, June 30, 2025</b>	<b>18,378,636</b>	<b>730,137</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>19,108,773</b>

### Canadian Cobalt Projects

#### McAra Project area, Ontario Canada

The Company holds a 100% interest in the McAra project, located in Ontario, Canada. The property is subject to net smelter returns royalties ("NSR") ranging from 1% to 2% of which 1.5% can be acquired for \$750,000.

#### Gowganda Project area, Ontario Canada

The Company holds a 100% interest in certain claims in the Gowganda project area, located in Ontario, Canada. The property is subject to NSR's ranging from 1% to 3% of which 0.5% to 1% of the royalty can be acquired for \$250,000 to \$1,000,000.

#### Fabre Project area, Quebec Canada

The Company holds a 100% interest in the Fabre project area located in Quebec, Canada. The property is subject to a 2% gross smelter returns royalty ("GSR") of which 1% can be acquired for \$1,000,000 and an additional 1% can be acquired for an additional \$1,500,000.

#### Shining Tree Project area, Ontario Canada

The Company holds a 100% interest in the Shining Tree Project area, located in Ontario, Canada. The property is subject to a 1% NSR of which 0.5% can be purchased for \$250,000.

#### Elk Lake Project area, Ontario Canada

In December 2024, the Company elected to reduce its holdings in the Elk Lake Project and therefore, the asset was impaired. As of June 30, 2025, the Company recorded no additional impairment expense (December 31, 2024 - \$2,668,319).

#### Wilder Project area, Ontario, Canada

##### *Wilder Project area (Kell claims), Ontario, Canada*

The Company has a purchase option agreement with Ashley to acquire a 100% interest in the Kell claims, located in Ontario. The property is subject to a 1% NSR of which 1% can be purchased for \$2,000,000.

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### 7. EXPLORATION AND EVALUATION ASSETS (cont'd...)

#### Canadian Cobalt Projects (cont'd...)

##### *Wilder Project area (Thompson claims), Ontario, Canada*

The Company has a purchase option agreement with Ashley to acquire 100% interest in the Thompson claims, located in Ontario. The property is subject to a 1% NSR of which 1% can be purchased for \$2,000,000.

##### **White Reserve Project area (White Reserve claims), Ontario, Canada**

The Company has a purchase option agreement with Ashley to acquire 100% interest in the White Reserve claims, located in Ontario. The property is subject to a 1% NSR of which 1% can be purchased for \$2,000,000.

In December 2024, the Company elected to reduce the holding in the White Reserve Project and therefore, the asset was impaired. As of June 30, 2025, the Company recorded no additional impairment expense (December 31, 2024 - \$1,325,916).

#### U.S. Cobalt Projects

##### **Bonanza Project, Idaho, USA**

The Company holds a 100% interest in certain land tenure rights in the Bonanza Project in Idaho. The property is subject to a 0.5% NSR which can be purchased for US\$1,000,000.

#### Chile Copper

##### **Punitaqui Project**

The Company under IFRS 16, conducted an impairment assessment in 2024 of its exploration and evaluation mineral properties, plant and equipment as detailed in Note 6. As a result of the assessment, the Company recognized impairment losses arising from the difference in value in use and carrying amount totalling \$15,551,507 related to the Punitaqui exploration and evaluation asset. The impairment is determined by IAS 36 and the impairment charges has been recorded as other expenses in the statement of loss and comprehensive loss.

The Punitaqui exploration and evaluation asset was transferred to mineral properties in the year ended December 31, 2024.

### 8. TRADES AND OTHER PAYABLES

	June 30, 2025	December 31, 2024
Trade payables	\$ 24,982,296	\$ 14,312,641
Accrued liabilities	4,678,842	5,981,734
Total	\$ 29,661,138	\$ 20,294,375

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### 9. 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 June 30, 2025, the Company recovered \$5,438,285 (December 31, 2024 - \$5,438,285) 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 US\$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 US \$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 December 31, 2024, the VAT liability was recorded as a current liability to be repaid in full on December 31, 2025.

### 10. DEFERRED PAYMENTS ON ACQUISITION

	June 30, 2025	December 31, 2024
Deferred payment, beginning of the year	\$ 3,716,264	\$ 5,070,680
Paid or accrued during the period	(884,614)	(1,709,122)
Accretion expense	199,784	495,718
Currency translation adjustment, net of foreign currency impact	16,672	(141,012)
Deferred payment, end of the period	\$ 3,048,106	\$ 3,716,264
Current	(1,633,317)	(1,722,627)
Long-term	1,414,789	1,993,637

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 undiscounted payments remaining as at June 30, 2025, was \$3,875,911 (December 31, 2024 - \$4,306,568), while the discounted deferred payments remaining as at June 30, 2025, was \$3,048,106 (December 31, 2024 - \$3,716,264). This liability was discounted at a rate of 11%.



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### 11. COPPER PREPAYMENT LIABILITY

	June 30, 2025	December 31, 2024
Balance at the beginning of the year	\$ 7,970,689	\$ -
Payments during the period	(1,252,215)	6,735,500
Accrued Interest	420,473	748,995
Foreign currency translation adjustment	(329,421)	486,194
Balance at the end of the period	\$ 6,809,526	\$ 7,970,689
Current	(3,094,026)	(3,202,897)
Long-term	3,715,500	4,767,792

During the first quarter of 2024, the Company entered into a marketing agreement, a master purchase and sale agreement, a copper concentrate prepayment, an advance payment terms arrangement, and other supporting agreements (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. Javelin has agreed to prepay to Minera BMR SpA an amount of US\$5,000,000 in respect of future deliveries of copper concentrate made by Minera to Javelin. Javelin will also establish an advance payment terms arrangement in an aggregate amount of up to US\$20,000,000. On March 8, 2024, Minera BMR SpA received the copper concentrate prepayment amount of US\$5,000,000 from Javelin. As of June 30, 2025, no additional advance payments were made to Minera BMR SpA by Javelin.

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 US\$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%.

## BATTERY MINERAL RESOURCES CORP.

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### 12. LEASE LIABILITY

On June 10, 2022, the Company entered into a sale-leaseback agreement with an unrelated party involving land and building property located in Phoenix, AZ, USA. Under the arrangement, the property with a net book value of US\$1,742,920 was sold for US\$6,900,000 and leased back under a five-year lease agreement. The Company recorded a net sale proceeds of US\$6,390,263 after deducting the sale-related expenses of US\$509,736.

The Company used the net sale proceeds to pay off its two mortgage loans amounting to US\$2,087,109 and US\$1,200,000, the aggregate payment of which was US\$3,358,459 after considering additional costs related to premature retirement of the loans (Refer to Note 15 on Loan and Borrowings).

At the inception of the lease, based on an incremental borrowing rate of 10.64%, the Company recognized a lease liability for the total lease payments amounting to \$1,700,336, and a right-of-use asset on the leased property amounting to \$429,500 to be depreciated over the term of the leaseback agreement. The Company recorded a gain of \$4,689,491 on this sale and leaseback transaction.

The Company entered into multiple lease agreements with vendors for various mining equipment and trucks for the development of its Punitaqui Project. Applying the Company's current incremental borrowing rate of 12%, the Company recognized a lease liability and corresponding right-of-use assets for the amount of \$3,853,915. The right-of-use assets are amortized over the term of the lease agreements.

As of June 30, 2025, depreciation of \$536,396 (2024 - \$Nil) on the right-of-use assets, and interest of \$143,121 (December 31, 2024 - \$464,945) on the lease were recorded. Total cash outflow for the lease during the period was \$1,265,610 (December 31, 2024 - \$2,666,239) including interest. The carrying amount of right-of-use assets on the leased property as of June 30, 2025, was \$640,006 (December 31, 2024 - \$1,222,607) and the lease liability was \$1,870,733 (December 31, 2024 - \$3,054,344).

The continuity of the Company's contractual lease liabilities as of June 30, 2025, and December 31, 2024, are presented below:

	June 30, 2025	December 31, 2024
Lease liabilities, beginning of the year	\$ 3,054,344	\$ 1,319,335
Additions	-	3,746,454
Lease payments	(1,265,610)	(2,666,239)
Interest expense	143,121	464,945
Exchange rate movements	(61,122)	189,849
Lease liabilities, end of period	\$ 1,870,733	\$ 3,054,344
Lease liabilities - current portion	(1,439,390)	(2,058,425)
Lease liabilities - long-term portion	431,343	995,919

## BATTERY MINERAL RESOURCES CORP.

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### 13. PROMISSORY NOTES

	June 30, 2025		December 31, 2024	
Principal amount	\$	5,452,788	\$	5,755,600
Interest accrued		355,947		138,329
Total	\$	5,808,735	\$	5,893,929

On June 26, 2024, the Company entered into a short-term debt financing arrangement with Weston Energy II LLC ("Weston II") for proceeds of US\$750,000. In connection with this debt financing agreement, the Company issued a promissory note to Weston II for an amount of US\$750,000, which matures on September 24, 2024, and bears interest at a rate of eight percent (8%) per annum, with interest payable at the maturity of the promissory note. On September 18, 2024, the maturity date was extended to December 5, 2024. On December 2, 2024, the maturity date was further extended to October 31, 2025.

On September 6, 2024, the Company issued a second promissory note to Weston II for proceeds of US\$750,000. The second promissory note bears interest at a rate of eight percent (8%) per annum and matures on December 5, 2024, with interest payable at the maturity date. On December 2, 2024, the maturity date was extended to October 31, 2025.

On October 9, 2024, the Company issued a third promissory note to Weston Energy III LLC ("Weston III") for proceeds of US\$2,500,000. The third promissory note bears interest at a rate of eight percent (8%) per annum and matures on December 5, 2024, with interest payable at the maturity date. On December 2, 2024, the maturity date was extended to October 31, 2025.

On July 11, 2025, the Company closed an additional sale of royalty interest, converting a portion of the Promissory Notes, see Note 23 for further information.

## BATTERY MINERAL RESOURCES CORP.

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### 14. ASSET RETIREMENT OBLIGATION

	June 30, 2025	December 31, 2024
Balance at the beginning of the year	\$ 8,182,896	\$ 10,317,746
Changes in estimates	(177,614)	(2,157,029)
Accretion expense	100,708	201,641
Foreign currency translation adjustment	645,656	(55,975)
Currency translation adjustment	(424,637)	(123,487)
Balance at the end of the period	\$ 8,327,009	\$ 8,182,896

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.

The estimated undiscounted cash flows required to satisfy the reclamation and closure cost obligation as at June 30, 2025, were \$10,761,396 (December 31, 2024 – \$10,839,474). The undiscounted cash flows were discounted using the ten-year Government of Chile Benchmark Bond rate of 2.53% for bonds issued in Chilean Units of Accounts (UF) to arrive at a discounted liability of \$8,327,009 (December 31, 2024 - \$8,182,896). The foreign currency translation adjustment from UF to United States Dollar for the period ended June 30, 2025, was a loss of \$645,656 (December 31, 2024 - gain of \$55,975), while the cumulative translation adjustment from United States Dollar to the Company's reporting currency (Canadian Dollar) for the period ended June 30, 2025 was a gain of \$424,637 (December 31, 2024 - \$123,847).

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### 15. LOANS AND BORROWINGS

	June 30, 2025	December 31, 2024
Fiera loan	\$ 6,763,229	\$ 7,178,219
Other finance agreements	622,425	747,515
<b>Total loans and borrowings</b>	<b>\$ 7,385,654</b>	<b>\$ 7,925,734</b>
Less: current portion	(1,087,034)	(1,039,508)
<b>Long-term portion</b>	<b>6,298,620</b>	<b>6,886,226</b>

#### *Fiera Enhanced Private Debt Fund Credit Agreement*

	June 30, 2025	December 31, 2024
Balance at the beginning of the period	\$ 7,178,219	\$ -
Loan proceeds during the period	-	8,000,000
Transaction costs	-	(417,616)
Accretion expense	69,603	104,404
Payments during the period	(484,593)	(508,569)
<b>Balance at the end of the period</b>	<b>\$ 6,763,229</b>	<b>\$ 7,178,219</b>
Less: current portion	(905,958)	(854,475)
<b>Long-term portion</b>	<b>5,857,272</b>	<b>6,323,744</b>

On March 8, 2024, the Company's subsidiary ESI 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 payments of \$87,463 commenced on April 15, 2024, with a balloon payment at maturity. The Company can voluntarily prepay the loan at any time based on the yield on the Government of Canada bond equal to the term remaining. The Company is also obligated to repay the loan under certain conditions. The voluntary prepayment option represents an embedded derivative to the Company.

The Company drew a first advance of \$5,000,000 during the first quarter of 2024 and utilized the net proceeds towards the restart of its Punitaqui Project in Chile. During the six months ended June 30, 2024, the Company completed the final drawdown of \$3,000,000 from the Fiera Loan. The Company has utilized partial proceeds from the final drawdown to extinguish an existing indebtedness. Total transaction costs of \$417,616 were incurred and will be amortized over the term of the Fiera Loan.

As at June 30, 2025, the Fiera Loan is measured at amortized cost with an interest rate of 11.7%. The current portion of the Fiera Loan is \$905,958 (December 31, 2024 - \$854,475), while the long-term portion is \$5,857,272 (December 31, 2024 - \$6,323,744). The fair value of the embedded derivative as at June 30, 2025, was \$Nil (December 31, 2024 - \$Nil). Interest accrued as at June 30, 2025, totaled \$69,603 (December 31, 2024 - \$104,404), while total payments of \$484,593 were made during the six months ended June 30, 2025 (December 31, 2024 - \$508,569).

#### *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 June 30, 2025, relating to the purchase of three compact track loaders, one vehicle, one excavator and one service truck that were financed through dealers in 2022 through 2024. The six loans have terms ranging from four to six years with varying rates of interest up to 8.39%.

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### 16. CONVERTIBLE DEBENTURES

On October 19, 2023, the Company closed the first tranche of a Private Placement of Convertible Debentures (the "Debentures") for gross proceeds of US\$1,370,000. Concurrently, the Company also issued US\$15,408,039 in Debentures to holders of existing indebtedness, including holders of the previously issued 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 November 3, 2023, the Company closed the second tranche of the Private Placement of the Debentures for gross proceeds of US\$1,915,000. On February 16, 2024, the Company closed the third tranche of the Private Placement of the Debentures for gross proceeds of US\$1,000,000.

The Company also completed the following additional Private Placement of Debentures:

- a. On May 13, 2024, the Company closed an additional Private Placement of Debentures for gross proceeds of US\$400,000.
- b. On October 25, 2024, the Company closed a further Private Placement of Debentures for gross proceeds of US\$200,000.

All the above Debentures bear the same terms with 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 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 Debenture into common shares of the Company at the conversion price of US \$0.22 per share. The Company has the right, starting on March 31, 2024, with 15 days' notice, to prepay the outstanding principal and interest due.

The US denominated conversion price and the prepayment option of the 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 Debenture as a financial liability at fair value through profit or loss. The Debentures were recognized at their estimated fair value at initial recognition of \$24,837,096 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 at June 30, 2025, the Debentures were valued at \$32,380,329 and classified as current liability (December 31, 2024 - \$32,643,225). During the six months ended June 30, 2025, the Company recognized a gain of \$1,828,305 (December 31, 2024 – loss of \$2,901,214) 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 Debentures:

	Key inputs and assumptions	June 30, 2025	December 31, 2024
The fair value of the New Debentures has been calculated using a lattice binomial model	<i>Observable - Level 2</i>		
	Risk-free rate	<b>2.605%</b>	2.955%
	Foreign exchange rate (USD:CAD)	<b>1.3643</b>	1.4389
	<i>Unobservable - Level 3</i>		
	Volatility	<b>135.4%</b>	105.9%
	Credit spread	<b>9.46%</b>	5.50%

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**16. CONVERTIBLE DEBENTURES (cont'd...)**

The carrying amount of the Debentures is as follows:

	<b>June 30, 2025</b>	December 31, 2024
Fair value at the beginning of the period	\$ 32,643,225	\$ 24,869,560
Issuance of convertible debentures during the period	-	2,164,871
Accrued interest	1,565,409	2,707,580
Change in fair value	(1,828,305)	2,901,214
Total	\$ 32,380,329	\$ 32,643,225

For the fair value of the New Debenture at June 30, 2025, 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	(335,000)
	Discount rate was 1% lower	337,500
Stock volatility	Stock volatility was 5% higher	-
	Stock volatility was 5% lower	(7,500)

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### 17. SHARE CAPITAL

#### a) Authorized share capital

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

#### b) Share issuances

During the six months ended June 30, 2025, the Company did not issue any shares. As of June 30, 2025, the Company has 181,028,630 shares issued and outstanding.

During the year ended December 31, 2024, the Company issued 608,335 common shares that were related to the vested restricted stock units.

#### 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. During the six months June 30, 2025, the Company issued no new units of RSUs (2024 - \$Nil) to its officers and employees. The total RSU expense for the three and six months ended June 30, 2025, was \$2,393 and \$7,970 (2024 - \$11,068 and \$190,872). There was no restricted stock units granted during the three and six months ended June 30, 2025.

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

Outstanding at December 31, 2023	4,300,002
Exercised	(608,335)
Forfeited	(333,334)
Outstanding at December 31, 2024	3,358,333
Exercised	(166,667)
Outstanding at June 30, 2025	3,191,666

#### 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 exercise price
Outstanding at December 31, 2023	9,520,832	0.77
Forfeited	(1,430,000)	0.74
Outstanding at June 30, 2025 and December 31, 2024	8,090,832	0.78



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## 17. SHARE CAPITAL (cont'd...)

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 and six months ended June 30, 2025, was \$2,381 and \$7,255 (2024 - \$23,279 and \$118,253).

There were no options granted, and no options exercised during the three and six months ended June 30, 2025 (2024 – Nil).

As of June 30, 2025, the Company had outstanding and exercisable stock options as follows:

Price	Options outstanding				Options exercisable		
	Number outstanding	Weighted-average remaining contractual life (years)	Weighted-average exercise price	Weighted-average Fair Value	Number exercisable	Weighted-average remaining contractual life (years)	Weighted-average exercise price
\$0.85	5,000,000	3.76	0.85	0.41	5,000,000	3.76	0.85
\$0.75	250,000	1.34	0.75	0.25	250,000	1.34	0.75
\$0.65	270,832	4.51	0.65	0.29	270,832	4.51	0.65
\$0.65	75,000	4.51	0.65	0.29	75,000	4.51	0.65
\$0.65	1,395,000	4.69	0.65	0.24	1,395,000	4.69	0.65
\$0.65	1,100,000	4.83	0.65	0.24	1,100,000	4.83	0.65
	8,090,832	4.02	0.78	0.35	8,090,832	4.02	0.78

### 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.

There were no PSUs vested, and no new PSUs granted during the six months ended June 30, 2025. The total PSU expense for the three and six months ended June 30, 2025, was \$Nil (2024 - \$17,677 and \$98,106).

Movements in the number of PSUs outstanding are as follows:

	PSU
Outstanding at December 31, 2024	1,960,000
Forfeited	(400,000)
Outstanding at June 30, 2025	1,560,000

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## 18. REVENUE

All the Company's revenue for the three and six months ended June 30, 2025, were generated by both Minera and ESI and only ESI in 2024. During the three and six months ended June 30, 2025, and 2024, the Company's revenue comprised of the following:

### Minera

For the three and six months ended June 30, 2025, Minera's revenue was \$9,226,846 and \$22,719,932 (2024 - \$Nil and \$Nil), all of which were from the sale of copper concentrate derived from three customers (2024 - \$Nil).

### ESI

For the three and six months ended June 30, 2025, ESI has revenue of \$5,978,562 and \$10,869,626 (2024 - \$4,263,619 and \$7,425,012). The revenue for the six months was derived from fourteen (2024 - six) customers that represented 76% (2024 - 67%) of the Company's revenue. As at June 30, 2025, \$2,391,530 (2024 - \$1,392,436) from these customers was included in accounts receivable.

	Three months ending June 30,		Six months ending June 30,	
	2025	2024	2025	2024
Minera BMR SpA				
Sale of copper concentrate	\$ 9,226,846	\$ -	\$ 22,719,932	\$ -
Sale of slags	-	-	-	-
Provisional revenue adjustment	-	-	-	-
Total Minera BMR SpA	\$ 9,226,846	\$ -	\$ 22,719,932	\$ -
ESI				
Machine rental	3,028,538	2,090,229	5,373,345	4,017,027
Machine sales	1,776,478	1,504,123	3,645,188	2,073,333
Others	1,173,546	669,267	1,851,093	1,334,652
Total ESI	\$ 5,978,562	\$ 4,263,619	\$ 10,869,626	\$ 7,425,012
Total	\$ 15,205,408	\$ 4,263,619	\$ 33,589,558	\$ 7,425,012

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### 19. RELATED PARTY TRANSACTIONS

#### Compensation of key management personnel

Key management includes members of the Board of Directors, the Executive Chairman, the President and Chief Executive Officer, the Chief Financial Officer and the Corporate Secretary. The aggregate compensation paid, or payable, to key management personnel, during the three and six months ended June 30, 2025, and 2024, is as follows:

	Three months ending June 30,		Six months ending June 30,	
	2025	2024	2025	2024
Management fees	172,972	247,444	472,366	975,622
Share-based compensation	4,774	52,025	17,606	407,231
Total	\$ 177,746	\$ 299,469	\$ 489,972	\$ 1,382,853

During 2024, Weston Energy II LLC, a company owned by the Weston Group a major shareholder, subscribed for USD\$3,115,000 of the Debentures (Note 16) and US \$1,500,000 of the Promissory Notes (Note 13). On July 9th, 2025, Weston Energy II LLC and Weston Energy III LLC converted part of their indebtedness into a GRR. In addition, Weston Energy III LLC agreed to extend the maturity of their indebtedness to October 31, 2025 (Note 13).

Weston Energy III LLC, a company owned by the Weston Group a major shareholder, subscribed for US \$2,500,000 of the total issued and outstanding Promissory Notes (Note 13).

As of June 30, 2025, included in trade and other payables was \$Nil (2024 - \$Nil) due to directors and officers of the Company.

### 20. 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.

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## 20. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (cont'd...)

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

	June 30, 2025				
	Carrying Amount	Level 1	Level 2	Level 3	Total Fair Value
Convertible debenture	\$ 32,380,329	\$ -	\$ -	\$ 32,380,329	\$ 32,380,329
	\$ 32,380,329	\$ -	\$ -	\$ 32,380,329	\$ 32,380,329

  

	December 31, 2024				
	Carrying Amount	Level 1	Level 2	Level 3	Total Fair Value
Convertible debenture	\$ 32,643,225	\$ -	\$ -	\$ 32,643,225	\$ 32,643,225
	\$ 32,643,225	\$ -	\$ -	\$ 32,643,225	\$ 32,643,225

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.

The Company has a separately recognized derivative measured at fair value which is valued using Level 2 inputs. As at June 30, 2025, the derivative has a fair value of \$Nil (December 31, 2023 - \$Nil).

### 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 ("CAD") and foreign currencies. As at June 30, 2025, 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"). As at June 30, 2025, a 10% change in United States Dollars, Korean Won, and Chilean Peso to the Canadian dollar will result in a foreign exchange gain/loss of approximately \$5,702,216, \$14,884 and \$1,856,329, respectively.

The table below shows the balances held in foreign currency:

	USD	KRW	CLP	Equivalent CAD
June 30, 2025	\$	\$	\$	\$
Cash	304,845	-	67,107,900	514,538
Receivables	2,540,840	-	6,780,407,007	13,432,525
Prepays	196,682	65,080	1,740,444	270,955
Trade and other payables	1,313,041	150,582,266	17,043,728,276	26,991,703
Income taxes payable	(45,970)	-	-	(62,717)
VAT liability	4,177,735	-	-	5,699,684
Convertible debenture	23,734,024	-	-	32,380,329
Promissory note	4,257,667	-	-	5,808,735
Deferred payments on acquisition	378,452	-	1,736,488,470	3,068,668
Lease liability	618,595	-	698,572,222	1,870,732
Copper prepayment	4,991,223	-	-	6,809,526
Loans and borrowings	5,413,512	-	-	7,385,654
<b>Net exposure</b>	<b>(41,795,912)</b>	<b>(150,517,186)</b>	<b>(12,629,533,617)</b>	<b>(75,734,296)</b>

### 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 risks 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.

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### 20. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (cont'd...)

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.

#### 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 currently.

#### 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 not be sufficient to fund its presently anticipated requirements for investments in working capital and capital assets and will need to continue to obtain additional financing to execute such activities and discharge its day-to-day obligations, see Note 1.

Contractual cash flow requirements as at June 30, 2025, were as follows:

	year 1	year 2	year 3	year 4	> 4 years	Total
	\$	\$	\$	\$	\$	\$
Loans and borrowings	1,087,034	6,029,938	117,389	70,691	80,602	7,385,654
Trade payables and accrued liabilities	29,661,138	-	-	-	-	29,661,138
Income tax payables	228,637	-	-	-	-	228,637
Deferred revenue	563,719	-	-	-	-	563,719
Lease liability	1,439,389	431,343	-	-	-	1,870,732
Copper prepayment liability	3,094,026	3,715,500	-	-	-	6,809,526
Asset retirement obligation - liability	519,258	138,772	6,061	60,482	10,036,823	10,761,396
VAT Liability	5,699,684	-	-	-	-	5,699,684
Deferred payments on acquisition	1,720,393	1,720,393	-	-	-	3,440,786
Promissory note	5,808,735	-	-	-	-	5,808,735
Royalty payments	852,964	1,006,177	1,122,102	1,153,389	2,343,168	6,477,800
Convertible debenture	-	32,380,329	-	-	-	32,380,329
Total	50,674,977	45,422,452	1,245,552	1,284,562	12,460,593	111,088,136

#### 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 June 30, 2025, the spot LME copper price was US\$4.48 /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 June 30, 2025, the total capital held by the Company is \$45,416,508 (December 31, 2024 - \$52,139,034). 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 six months ended June 30, 2025.

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### **21. CONTINGENCIES**

On May 28, 2021, the Company entered into agreement with Bluequest Resources AG ("Bluequest"), to acquire the rights to certain properties, plant and equipment related to Punitaqui. One of the considerations included a contingent consideration of up to US\$5,000,000 of additional payments subject to achieving certain production milestones at Punitaqui, with each milestone payment to be satisfied, at the election of Bluequest, by the payment of cash, the issuance of Common Shares at prevailing market prices (subject to a minimum issue price of \$0.41), or a combination of both. The milestone payments include: (i) an amount equal to US\$2,000,000, payable 60 days following the date on which commercial restart is achieved, (ii) an amount equal to US\$1,000,000, payable 60 days following the date on which the first production milestone is achieved, (iii) an amount equal to US\$1,000,000, payable 60 days following the date on which the second production milestone is achieved, and (iv) an amount equal to US\$1,000,000, payable 60 days following the date on which the third production milestone is achieved. The production milestones include the achievement of aggregate production equal to or greater than 291,600 tonnes for the commercial restart milestone, aggregate production of 583,200 tonnes for the first production milestone, aggregate production of 874,800 tonnes for the second production milestone, and aggregate production of 1,166,400 tonnes for the third production milestone.

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### 22. 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 four segments, one segment being the acquisition and exploration of exploration and evaluations assets located in Canada, United States, and South Korea; the second segment for the operations of ESI, located in Canada and United States; the third segment being the Punitaqui operations in Chile and the fourth segment the corporate head office located in Canada.

The following table presents geographic information regarding operating segments.

For the year ended December 31, 2024	ESI	Exploration and Evaluation Properties			Chile	Corporate	Total
		Canada	USA	South Korea			
Exploration and evaluation	-	18,355,063	760,349	-	-	-	19,115,412
Property, plant, equipment	15,072,093	-	-	-	43,132,680	9,612	58,214,385
Total assets	20,229,318	18,527,032	760,349	22,550	55,267,264	551,365	95,357,878
Total liabilities	11,736,581	-	-	465,665	39,974,585	45,475,589	97,652,421

  

For the six months ended June 30, 2025	ESI	Exploration and Evaluation Properties			Chile	Corporate	Total
		Canada	USA	South Korea			
Exploration and evaluation	-	18,378,636	730,137	-	-	-	19,108,773
Property, plant, equipment	14,762,450	-	-	-	45,270,466	9,572	60,042,488
Total assets	19,503,118	18,378,636	730,137	-	57,077,715	9,572	95,699,178
Total liabilities	10,656,834	-	-	-	91,115,401	894,677	102,666,913

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**22. SEGMENTED INFORMATION (cont'd...)**

For the six months ended June 30, 2024	ESI	Exploration and Evaluation Properties				Corporate	Total
		Canada	USA	South Korea	Chile		
Revenue from contracts with customers	7,425,012	-	-	-	-	-	7,425,012
<b>Total revenue</b>	<b>7,425,012</b>	-	-	-	-	-	<b>7,425,012</b>
Depreciation of equipment	(1,468,849)	-	-	-	-	-	(1,468,849)
Impairment of exploration and evaluation assets	-	(3,626)	-	-	-	-	(3,626)
Impairment of property, plant and equipment	-	-	-	-	-	-	-
Management fees	(451,064)	-	(266,226)	-	-	(258,332)	(975,622)
Professional fees	-	-	-	-	-	(402,194)	(402,194)
Performance share units expense	-	-	-	-	-	(98,106)	(98,106)
Restricted stock units expense	-	-	-	-	-	(190,872)	(190,872)
Stock based compensation	-	-	-	-	-	(118,253)	(118,253)
Other costs and expenses	(4,686,230)	-	(332)	-	(4,387,707)	(877,762)	(9,952,031)
<b>Loss from operations</b>	<b>818,869</b>	<b>(3,626)</b>	<b>(266,558)</b>	-	<b>(4,387,707)</b>	<b>(1,945,519)</b>	<b>(5,784,541)</b>
Foreign exchange (loss) /gain	(186,603)	-	(103,302)	(133,981)	(1,672,770)	2,279,461	182,805
Finance costs	(504,667)	-	-	-	(505,168)	(479,541)	(1,489,376)
Loss on remeasurement of convertible debenture	-	-	-	-	-	(648,816)	(648,816)
Other income and expenses	92,939	-	-	-	-	-	92,939
<b>Gain (loss) for the year from continuing operations</b>	<b>220,538</b>	<b>(3,626)</b>	<b>(369,860)</b>	<b>(133,981)</b>	<b>(6,565,645)</b>	<b>(794,415)</b>	<b>(7,646,989)</b>
Income tax expense	(956)	-	-	-	-	-	(956)
Cumulative translation adjustment	524,689	-	35,283	(58,617)	(2,025,577)	-	(1,524,222)
<b>Total net income (loss)</b>	<b>744,271</b>	<b>(3,626)</b>	<b>(334,577)</b>	<b>(192,598)</b>	<b>(8,591,222)</b>	<b>(794,415)</b>	<b>(9,172,167)</b>

Non-cash items in net income (loss):

For the six months ended June 30, 2024	ESI	Exploration and Evaluation Properties				Corporate	Total
		Canada	USA	South Korea	Chile		
Accretion	-	-	-	-	(505,168)	(476,287)	(981,455)
Depreciation of equipment	(1,468,849)	-	-	-	-	-	(1,468,849)
Impairment of exploration and evaluation assets	-	(3,626)	-	-	-	-	(3,626)
Performance share units expense	-	-	-	-	-	(98,106)	(98,106)
Restricted stock units expense	-	-	-	-	-	(190,872)	(190,872)
Stock based compensation	-	-	-	-	-	(118,253)	(118,253)
Loss on finance lease termination	(6,715)	-	-	-	-	-	(6,715)
Current income tax expense	(956)	-	-	-	-	-	(956)
Loss on remeasurement of convertible debenture	-	-	-	-	-	(648,816)	(648,816)
Unrealized forex translation (loss) gain	(186,603)	-	(103,279)	(133,982)	(1,419,971)	2,026,640	182,805
<b>Total non- cash items in net (loss) income</b>	<b>(1,663,123)</b>	<b>(3,626)</b>	<b>(103,279)</b>	<b>(133,982)</b>	<b>(1,925,139)</b>	<b>494,306</b>	<b>(3,334,844)</b>



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**22. SEGMENTED INFORMATION (cont'd...)**

For the six months ended June 30, 2025	ESI	Exploration and Evaluation Properties			Chile	Corporate	Total
		Canada	USA	South Korea			
Revenue from contracts with customers	10,869,626	-	-	-	22,719,932	-	33,589,558
Cost of sales	(2,309,716)	-	-	-	(18,204,045)	-	(20,513,761)
Depreciation and amortization	(1,344,228)	-	-	-	(1,056,769)	-	(2,400,997)
<b>Gross profit</b>	<b>7,215,682</b>	-	-	-	<b>3,459,118</b>	-	<b>10,674,800</b>
Management fees	(423,949)	-	-	-	(48,417)	-	(472,366)
Professional fees	-	-	-	-	(215,252)	(311,566)	(526,818)
Restricted stock units expense	-	-	-	-	-	(7,970)	(7,970)
Stock based compensation	-	-	-	-	-	(9,636)	(9,636)
Other costs and expenses	(5,117,407)	-	(124,908)	-	(4,502,183)	(587,104)	(10,331,603)
<b>Loss from operations</b>	<b>1,674,326</b>	-	<b>(124,908)</b>	-	<b>(1,306,734)</b>	<b>(916,276)</b>	<b>(673,591)</b>
Foreign exchange (loss) gain	319,470	-	-	-	(6,439,123)	2,589,063	(3,530,590)
Finance costs	(509,886)	-	-	-	(966,354)	(249,337)	(1,725,577)
Gain on sale of royalty interest	-	-	-	-	132,998	-	132,998
Gain on remeasurement of convertible debenture	-	-	-	-	-	262,896	262,896
Other income and expenses	44,787	-	-	-	-	-	44,787
<b>Gain (loss) for the year from continuing operations</b>	<b>1,528,697</b>	-	<b>(124,908)</b>	-	<b>(8,579,213)</b>	<b>1,686,346</b>	<b>(5,489,077)</b>
Cumulative translation adjustment	(1,099,481)	-	-	-	1,897,761	-	798,280
<b>Total net income (loss)</b>	<b>429,216</b>	-	<b>(124,908)</b>	-	<b>(6,681,452)</b>	<b>1,686,346</b>	<b>(4,690,797)</b>

Non-cash items in net income (loss):

For the six months ended June 30, 2025	ESI	Exploration and Evaluation Properties			Chile	Corporate	Total
		Canada	USA	South Korea			
Accretion	69,603	-	-	-	545,881	-	615,483
Depreciation of equipment	1,071,007	-	-	-	1,329,991	-	2,400,998
Restricted stock units expense	-	-	-	-	-	7,970	7,970
Stock based compensation	-	-	-	-	-	9,636	9,636
Gain on sale of royalty interest	-	-	-	-	(132,998)	-	(132,998)
Gain on remeasurement of asset retirement obligation	-	-	-	-	(177,614)	-	(177,614)
Gain on VAT liability modification	-	-	-	-	(169,277)	-	(169,277)
Finance costs	509,886	-	-	-	441,576	249,337	1,200,800
Gain on remeasurement of convertible debenture	-	-	-	-	-	(262,896)	(262,896)
Unrealized foreign exchange translation (loss) gain	(319,470)	-	-	-	3,951,951	(341,934)	3,290,547
<b>Total non- cash items in net (loss) income</b>	<b>1,331,026</b>	-	-	-	<b>5,789,510</b>	<b>(337,887)</b>	<b>6,782,649</b>

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### 23. SUBSEQUENT EVENTS

On July 9, 2025, the Company entered into definitive agreements with Weston II and Weston Energy III to sell them a Gross Revenue Royalty (a "GRR") totalling 0.8232% in the aggregate, on the gross revenues produced by Punitaqui, in exchange for extinguishing debts (the "Extinguished Debts") owing by the Company (or its wholly-owned subsidiaries) to Weston in the aggregate amount of US\$2,694,721 (the "Transaction"). The GRR issued to Weston is on substantially similar terms to the Company's previously announced royalty transaction with Electric Royalties Ltd., described in the press release of the Company dated November 25, 2024.

#### Transaction Terms with Weston II and Weston III

Specifically, the Transaction was effected by the following agreements:

- an agreement with Weston II pursuant to which the Company sold a 0.4840% GRR (the "Weston II Royalty") on the Project in exchange for extinguishing all amounts (including accrued and outstanding interest) owing by the Company to Weston II pursuant to the promissory note issued by the Company to Weston II on September 6, 2024 (as further described in the press releases of the Company dated September 9, 2024 and September 12, 2024), being an aggregate of US\$1,584,333; and
- an agreement with Weston III pursuant to which the Company sold a 0.3392% GRR (the "Weston III Royalty", and together with the Weston II Royalty, the "Royalties") on the Project in exchange for extinguishing an amount equal to US\$1,110,388 out of the amount owing by Minera, to Weston III pursuant to the promissory note issued by Minera to Weston III on October 9, 2024 (as further described in the press release of the Company dated October 15, 2024) (the "October 9 Note").

In addition to the ores produced from the Punitaqui mines, the Royalties will apply to any third-party ore or other materials processed through the Punitaqui mill from the effective date of the definitive agreement to December 31, 2027.

The Company will have the right to buy back the Royalties sold to Weston II and Weston III for: (i) in the case of the Weston II Royalty, a cash payment of US\$1,935,829 from the date on which the Company will have made royalty payments to Weston II in excess of \$2,581,105; and (ii) in the case of Weston III Royalty, a cash payment of US\$1,356,735 from the date on which the Company will have made royalty payments to Weston III in excess of \$1,808,980.

Concurrently with closing the Transaction, Minera issued an amended and restated promissory note (the "New Note") to Weston III in the amount of US\$1,491,834, representing the remaining amount owing by Minera to Weston III pursuant to the October 9 Note not extinguished pursuant to the Transaction. The New Note has the same terms as the October 9 Note, other than the amount and maturity date. Specifically, the New Note matures on October 31, 2025, and accrues interest at a rate per annum equal to eight percent (8%). The New Note is unsecured, and no bonus securities were issued for the New Note.