NORSEMONT MINING INC.

Condensed Consolidated Interim Financial Statements

For the three and six months ended June 30, 2024 and 2023

(Unaudited – Prepared by Management)

(Expressed in Canadian dollars)

NOTICE OF NO AUDITOR REVIEW OF
UNAUDITED CONDENSED INTERIM CONSOLIDATED FINANCIAL STATMENTS

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

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

NORSEMONT MINING INC.
Condensed Consolidated Interim Statements of Financial Position

As at June 30, 2024 and December 31, 2023
(Expressed in Canadian Dollars)

	Notes	June 30, 2024	December 31, 2023
		$	$
Assets			
Current assets			
Cash		2,551	5,112
Amounts receivable		6,069	7,060
Prepaid expenses and deposits	9	2,000	2,000
		10,620	14,172
Non-current assets			
Mineral properties	3	27,477,053	27,477,053
Property and equipment	4	-	-
Term deposit		-	28,750
		27,477,053	27,505,803
		27,487,673	27,519,975
Liabilities			
Current liabilities			
Accounts payable and accrued liabilities	5,9	3,735,908	3,249,439
Notes payable	6,9	353,522	328,522
Convertible debenture	7,9	950,000	950,000
		5,039,430	4,527,961
Shareholders' equity			
Share capital	8	46,775,307	46,775,307
Reserves	8	1,871,112	1,733,369
Deficit		(26,198,176)	(25,516,662)
		22,448,243	22,992,014
		27,487,673	27,519,975

Nature of operations and going concern	1
Commitments and contingencies	13

The consolidated financial statements were approved by the Board of Directors on August 28, 2024 and were signed on its behalf by:

"Marc Levy"
Director

"Charles Ross"
Director

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

NORSEMONT MINING INC.
Condensed Consolidated Interim Statements of Comprehensive Loss

For the three and six months ended June 30, 2024 and 2023
(Expressed in Canadian Dollars)

	Notes	Three months ended June 30 2024	Three months ended June 30 2023	Six months ended June 30 2024	Six months ended June 30 2023
		$	$	$	$
Expenses					
Consulting fees		-	30,000	-	60,000
Depreciation	4	-	9,300	-	18,600
Exploration costs	3	222,981	167,175	319,789	357,820
Investor communications		5,000	15,500	10,000	35,500
Office, rent and administration	9	484	5,919	820	17,029
Professional fees	9	35,000	37,299	135,725	68,841
Regulatory fees		2,780	14,418	6,214	22,699
Salaries and benefits	9	62,656	68,227	125,609	149,669
Share-based payments	8,9	8,599	116,531	21,723	210,020
Transfer agent fees		876	3,117	876	4,797
Travel and other expenses		-	186	-	1,605
Loss before other items		(338,376)	(467,672)	(620,756)	(946,580)
Finance costs	6,7,15	(31,367)	(44,014)	(62,208)	(107,747)
Foreign exchange gain (loss)		-	1,149	-	(11,690)
Interest income		297	-	1,450	648
Net loss for the period		(369,446)	(510,537)	(681,514)	(1,065,369)
Other comprehensive loss for the period					
Items that may be subsequently reclassified to profit and loss:					
Foreign exchange differences on translation of foreign operations		(74,708)	44,300	116,021	(49,336)
Net loss and comprehensive loss for the period		**(444,154)**	**(466,237)**	**(565,943)**	**(1,114,705)**
Loss per share					
Loss per common share – basic and diluted		(0.01)	(0.01)	(0.01)	(0.02)
Weighted average number of shares outstanding – basic and diluted		59,526,680	55,777,271	59,526,680	55,694,006

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

NORSEMONT MINING INC.
Condensed Consolidated Interim Statements of Changes in Equity

For the six months ended June 30, 2024 and 2023
(Expressed in Canadian Dollars)

		Share capital			Reserves					
	Note	Number	Amount	Share subscription payable	Share-based payment	Foreign exchange translation	Convertible debentures	Total reserves	Deficit	Total
		#	$		$	$		$	$	$
Balance, December 31, 2022		**55,548,055**	**45,814,182**		**1,817,294**	**(244,325)**	**113,905**	**1,686,874**	**(23,183,618)**	**24,317,438**
Shares issued for from private placement		-	(7,000)	100,000	-	-	-	-	-	93,000
Shares issued for vested RSU	8	247,125	166,181	-	(166,181)	-	-	(166,181)	-	-
Share-based payments	8	-	-	-	210,020	-	-	210,020	-	210,020
Cancelled and expired options and warrants		-	-	-	(52,442)	-	-	(52,442)	52,442	-
Net comprehensive loss		-	-		-	(49,335)	-	(49,335)	(1,065,369))	(1,114,704)
Balance, June 30, 2023		**55,795,180**	**45,973,363**	**100,000**	**1,808,691**	**(293,660)**	**113,905**	**1,628,936**	**(24,196,545)**	**23,505,754**
Balance, December 31, 2023		**59,526,680**	**46,775,307**		**1,790,936**	**(171,472)**	**113,905**	**1,733,369**	**(25,516,662)**	**22,992,014**
Share-based payments		-	-		21,723	-	-	21,723	-	13,124
Net comprehensive loss		-	-		-	116,021	-	116,021	(681,514)	(565,492)
Balance, June 30, 2024		**59,526,680**	**46,775,307**		**1,812,659**	**(55,452)**	**113,905**	**1,871,112**	**(26,198,176)**	**22,448,244**

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

NORSEMONT MINING INC.

Condensed Consolidated Interim Statements of Cash Flows

For the six months ended June 30, 2024 and 2023

(Expressed in Canadian Dollars)

	Three months ended June 30,	
	2024	**2023**
	$	$
Operating activities:		
Loss for the period	(681,514)	(1,065,369)
Adjustment for non-cash items:		
Depreciation	-	18,600
Finance costs	62,208	107,747
Foreign exchange	-	11,690
Share-based payments	21,723	210,020
Changes in working capital items:		
Prepaid expenses and deposits	28,750	31,060
Amounts receivable	991	(2,410)
Accounts payable and accrued liabilities	540,281	401,718
Cash used in operating activities ,	(27,561)	(286,944)
Financing activities:		
Proceeds from notes payable	25,000	205,000
Shares subscription received		93,000
Lease liability payments	-	(13,038)
Cash provided by financing activities	25,000	284,962
Decrease in cash	(2,561)	(1,982)
Effect of foreign exchange rate changes	-	(14,035)
Cash, beginning of the year	5,112	24,507
Cash, end of the period	2,551	8,490

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

1. Nature of Operations and Going Concern

Norsemont Mining Inc. ("the Company") was incorporated on July 26, 2000 under the Canada Business Corporations Act and continued into BC under the British Columbia Corporations Act on January 30, 2016 as Norsemont Capital Inc. The Company's common shares are traded on the Canadian Securities Exchange ("Exchange") under the symbol "NOM".

The head office, principal address, records office and the registered office address of the Company is Suite 900 – 885 West Georgia Street, Vancouver, British Columbia, Canada, V6C 3H1.

The Company is engaged in the acquisition, exploration and development of mineral properties. The Company's exploration project is the Choquelimpie Gold and Silver Project ("Choquelimpie Project") located in Northern Chile (Note 3).

These condensed consolidated interim financial statements have been prepared on the assumption that the Company will continue as a going concern, meaning it will continue in operation for the foreseeable future and will be able to realize assets and discharge liabilities in the ordinary course of operations. As at June 30, 2024, the Company had a working capital deficit of $5,028,810 (December 31, 2023 - $4,513,789) and an accumulated deficit of $26,198,176 (2023 - $25,516,662). The Company's convertible debentures in the amount of $950,000 matured during the year ended December 31, 2023 and remain unpaid (Note 7). The Company's continuation as a going concern is dependent upon the successful results from its mineral property exploration activities and its ability to attain profitable operations and generate funds therefrom and/or raise equity capital or borrowings sufficient to meet current and future obligations. These factors indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern. While the Company has been successful in securing financings in the past, there is no assurance that it will be able to obtain adequate financing in the future or that such financing will be available on acceptable terms. Should the Company be unable to continue as a going concern, the net realizable value of its assets may be materially less than the amounts on its consolidated statement of financial position. These consolidated financial statements do not include any adjustments to the amounts and classification of assets and liabilities that may be necessary should the Company be unable to continue as a going concern. Such adjustments could be material.

2. Basis of Presentation and Material Accounting Policies

(a) Basis of presentation and consolidation

These condensed consolidated interim financial statements have been prepared in accordance with International Accounting Standard 34, Interim Financial Reporting ("IAS 34") using accounting policies consistent with International Financial Reporting Standards ("IFRS"), as issued by the International Accounting Standards Board ("IASB") and interpretations of the International Financial Reporting Interpretations Committee ("IFRIC"). The accounting policies and methods of computation applied by the Company in these condensed consolidated interim financial statements are the same as those applied in the Company's annual financial statements as at and for the year ended December 31, 2023.

The condensed consolidated interim financial statements include the accounts of the Company and its wholly owned subsidiaries, Rosswoll Industries Inc. ("Rosswoll") and Tavros Gold Corp. ("Tavros"), incorporated in British Columbia. Sociedad Contractual Minera Vilacollo ("SCMV") is a wholly owned subsidiary of Tavros, incorporated in Chile. All significant intercompany balances and transactions were eliminated on consolidation.

2. Basis of Presentation and Material Accounting Policies (Continued)

(b) Significant accounting estimates and judgments

The preparation of financial statements requires management to make estimates and judgments that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates and judgments. Those areas requiring the use of management estimates and judgments are as follows:

(i) Fair value measurement of stock-based payments

The Company measures equity-settled transactions by reference to the fair value of the equity instruments at the date at which they are granted. Estimating fair value for share-based payment transactions requires determining the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires determining the most appropriate inputs to the valuation model including the expected life of the share option and volatility and making assumptions about them.

(ii) Going concern

Management has applied judgments in the assessment of the Company's ability to continue as a going concern when preparing its condensed consolidated interim financial statements for the periods ended June 30, 2024 and 2023. Management prepares the consolidated financial statements on a going concern basis unless management either intends to liquidate the entity or to cease trading or has no realistic alternative but to do so. In assessing whether the going concern assumption is appropriate, management takes into account all available information about the future, which is at least, but is not limited to, twelve months from the end of the reporting period. As a result of the assessment, management concluded the going concern basis of accounting is appropriate based on its profit and cash flow forecasts and access to replacement financing for the future twelve months.

(iii) Measurement of deferred tax assets and liabilities

Significant judgment is required in determining the provision for income taxes. There are many transactions and calculations undertaken during the ordinary course of business for which the ultimate tax determination is uncertain. The Company recognizes liabilities and contingencies based on the Company’s current understanding of the tax law. For matters where it is probable that an adjustment will be made, the Company records its best estimate of the tax liability in the current tax provision. Management believes they have adequately provided for the probable outcome of these matters; however, the final outcome may result in a materially different outcome than the amount included in the tax liabilities.

In addition, the Company recognizes deferred tax assets relating to tax losses carried forward to the extent there are sufficient taxable temporary differences (deferred tax liabilities) relating to the same taxation authority and the same taxable entity against which the unused tax losses can be utilized. However, utilization of the tax losses also depends on the ability of the taxable entity to satisfy certain tests at the time the losses are recouped.

2. Basis of Presentation and Material Accounting Policies (Continued)

(b) Significant accounting estimates and judgments (continued)

(iv) Carrying value and the recoverability of mineral properties

Significant judgment is required in determining the carrying value and the recoverability of exploration and evaluation assets, which are included in the statements of financial position based on capitalized acquisition and expenditure costs, facing review for impairment based on factors including the planned exploration budgets and activities, commodity prices, drill results of exploration programs, and strategic direction of the Company.

3. Mineral Properties

(a) Canada

On May 4, 2020, the Company entered into an option agreement with La Croix Exploration Ltd. ("Optionor") to acquire a 100% interest in the Burge Lake project located in the province of Quebec. In order to exercise the option and maintain the option in good standing, the Company was required to pay the Optionor an aggregate of $285,000 ($135,000 in year 1 and $150,000 in year 2) and incur exploration expenditures of $250,000 within two years of signing of the option agreement. As at December 31, 2023, the option agreement was in default as the required payments and exploration expenditures were not met. The property was fully impaired in 2021.

(b) Chile

On July 15, 2020, pursuant to a share purchase agreement (the "Agreement"), the Company acquired all of the issued and outstanding shares of Tavros which included the Choquelimpie Project located in northern Chile. The acquisition did not meet the definition of a business under IFRS 3, therefore, the acquisition of Tavros was accounted for as an acquisition of an exploration and evaluation asset.

The Company acquired the Choquelimpie Project for aggregate consideration of $5,247,428 which comprised of staged cash payments of US$3,300,000, a finder's fee of $550,000 and transaction fees capitalized. In addition, 15,000,000 common shares (the "Shares") of the Company at a fair value of $22,229,625 were issued. Pursuant to the Agreement, the Shares were held in escrow for a period of two years, and as at December 31, 2023, all shares were released from escrow. During the year ended December 31, 2022, the Company fully settled the remaining payable balance of US$500,000. Of that amount, USD$329,750 was paid in cash and USD$170,250 was settled by issuing 284,772 common shares (at a fair value of $213,579).

(Expressed in Canadian Dollars)

3. Mineral Properties (continued)

(c) Exploration Costs

During the three and six months ended June 30, 2024, the Company incurred exploration costs related to the Choquelimpie Project in Chile, as follows:

	Three months ended June 30,		Six months ended June 30,	
	2024	**2023**	**2024**	**2023**
	$	$	$	$
Consulting fees	5,000	10,097	20,000	27,154
Field operating costs	409	18,100	15,353	54,241
Mining property and water rights	164,704	20,263	182,683	40,173
Office and administration	16,062	8,785	16,956	32,598
Salaries	36,806	99,930	84,795	203,654
	222,981	**167,175**	**319,789**	**357,820**

4. Property and Equipment

	Right-of-use asset	Equipment	Total
	$	$	$
Cost			
Balance, December 31, 2021 and December 31, 2022	111,300	10,022	121,322
Write-off: equipment	-	(10,022)	(10,022)
Lease termination	(111,300)		(111,300)
Balance, December 31, 2023 and June 30, 2024	-	-	-
Accumulated depreciation			
Balance, December 31, 2021	23,000	10,022	33,022
Depreciation	37,200	-	37,200
Balance, December 31, 2022	60,200	10,022	70,222
Depreciation	37,200	-	37,200
Lease termination	(97,400)	-	(97,400)
Write-off: equipment	-	(10,022)	(10,022)
Balance, December 31, 2023 and June 30, 2024	-	-	-
Net book value			
December 31, 2023 and June 30, 2024	-	-	-

The Right-of-use asset (“ROU”) is depreciated using a straight-line method over the lease term of the underlying asset (3 years). During the year ended December 31, 2023, the Company terminated its lease agreement.

(Expressed in Canadian Dollars)

5. Accounts Payable and Accrued Liabilities

	June 30, 2024	December 31, 2023
	$	$
Accounts payable	506,246	445,755
Accounts payable – Chile	2,040,621	1,670,080
Accrued liabilities	37,986	224,758
Accrued liabilities due to related parties (Note 9)	931,465	751,465
Interest payable (Note 6, 7)	218,046	155,838
Payroll liabilities	1,544	1,543
	3,735,908	3,249,439

6. Notes Payable

During the year ended December 31, 2022, the Company issued promissory notes in the aggregate principal amount of $240,000. The promissory notes bear interest of 12% to 24% per annum and are payable on demand together with the principal amount after one year from the effective date of the notes. During the year ended December 31, 2023, the Company repaid a total principal amount of the note of $116,478 and accrued interest of $19,522.

During the year ended December 31, 2023, the Company issued promissory notes in the aggregate amount of $205,000 to a Company with directors in common. The notes bear an interest of 24% per annum and are payable on-demand together with the principal amount after one year from the effective date of the promissory notes (Note 9).

During the period ended June 30, 2024, the Company issued promissory notes in the aggregate amount of $25,000 to a Company with directors in common. The notes bear an interest of 24% per annum and are payable on-demand together with the principal amount after one year from the effective date of the promissory notes (Note 9).

The Company recognized interest expense of $17,117 and $33,709 on the notes (Note 9) during the three and six months ended June 30, 2024 (2023: $23,580 and $39,946).

7. Convertible Debenture

	$
Balance, December 31, 2022	1,007,654
Settlement in shares (Note 8)	(100,000)
Accretion	42,346
Balance, December 31, 2023 and June 30, 2024	950,000

7. Convertible Debenture (continued)

In April 2022, the Company completed a non-brokered private placement of one-year convertible debenture (the "Debenture") in the principal amount of $1,050,000. The Debenture bear interest at 6% per annum, payable on maturity. The Debenture is convertible into units of the Company at a price of $1.00 per unit, where each unit is comprised of one common share and one-half share purchase warrant. Each Warrant is exercisable into one additional common share at a price of $1.25 per share for a period of three years from the date of conversion. As at June 30, 2024, included in the principal amount is $650,000 (December 31, 2023: $650,000) from a related party (Note 9). The convertible debentures are past due and are repayable on demand.

The Debenture is a compound financial instruments which was classified separately as financial liability and equity. At initial recognition, the present value of the liability component was estimated at $930,380, using a discounted cash flow model method with an expected life of 1 year and a discount rate of 18.57%. The conversion feature is classified as equity and was estimated based on the residual value of $114,529. This amount is not subsequently remeasured and will remain in equity until the debenture is converted, in which case, the balance recognized in equity will be transferred to share capital. Transaction costs of $5,715 related to the issuance of the convertible debentures were allocated to the liability ($5,091) and equity ($624) components in proportion to the allocation of the gross proceeds.

During the year ended December 31, 2023, the Company entered into a debt settlement and subscription agreement to settle $106,000 in debt (of which $6,000 was accrued interest) through the issuance of 530,000 Units (Note 8).

As at June 30, 2024, included in accounts payable and accrued liabilities was accrued interest on the debenture of $125,000 (December 31, 2023: $96,500). (Note 5).

8. Share Capital and Reserves

(a) Authorized

An unlimited number of common shares without par value.

(b) Issued share capital

As at June 30, 2024, there were 59,526,680 (December 31, 2023 - 59,526,680) issued and outstanding common shares.

There were no share issues during the six months ended June 30, 2024.

Year ended December 31, 2023:

- The Company issued 323,625 shares pursuant to vested restricted share units with a fair value of $237,125 (Note 8 (e)).

- 3,125,000 units were issued at $0.20 per unit for gross proceeds of $625,000 as part of a private placement financing. Each unit consists of one common share and one half transferrable warrant. Each warrant entitles the holder to acquire one share of the Company at a price of $0.30 up to two years from the date of the warrant agreement. No value was allocated to the warrants. The Company incurred $7,000 of broker fee on this transaction.

(Expressed in Canadian Dollars)

8. Share Capital and Reserves (Continued)

- 530,000 units were issued pursuant to a settlement of debt (Note 7) of $106,000. Each unit consists of one common share and one half transferrable warrant. Each warrant entitles the holder to acquire one share of the Company at a price of $0.30 up to two years from the date of the warrant agreement. No value was allocated to the warrants.

(c) Warrants

The continuity of share purchase warrants issued and outstanding is as follows:

	Warrants	Weighted Average Exercise Price
	#	$
Balance December 31, 2022	425,000	0.75
Issued	1,827,500	0.30
Balance December 31, 2023 and June 30, 2024	2,252,500	0.38
Weighted average remaining contractual life		0.92 years

(d) Stock options

On July 3, 2020, the Company adopted an Omnibus Equity Incentive Plan (“Plan”). The purpose of this Plan is to provide the Company with a share-related mechanism to attract, retain and motivate qualified Directors, Employees and Consultants of the Company and its subsidiaries. As well, such Directors, Employees and Consultants may be granted awards under this Plan by the Board from time to time for their contributions toward the long-term goals and success of the Company and to enable and encourage such Directors, Employees and Consultants to acquire common shares of the Company as long-term investments and proprietary interests in the Company.

The continuity of stock options outstanding is as follows:

	Options Outstanding	Weighted Average Exercise Price
	#	$
Balance, December 31, 2022	4,300,000	0.66
Granted	1,450,000	0.26
Expired or cancelled	(1,345,000)	0.93
Balance, December 31, 2023	4,405,000	0.44
Expired or cancelled	(175,000)	0.52
Balance, June 30, 2024	4,230,000	0.44
Weighted average remaining contractual life		2.39 years

The weighted average fair value of options granted during the three and six months ended June 30, 2024 was $Nil (2023 – $Nil) per option.

(Expressed in Canadian Dollars)

8. Share Capital and Reserves (Continued)

(d) Stock options (continued)

Vested and non-vested stock options outstanding at June 30, 2024 are as follows:

Exercise Price	Options Outstanding	Expiry Date	Vested Options Exercisable	Non vested Options
$	#		#	
0.305	300,000	July 2, 2024	300,000	-
0.18	305,000	October 30, 2025	305,000	-
0.28	50,000	November 2, 2026	50,000	-
0.49	75,000	May 5, 2025	75,000	-
0.54	100,000	May 13, 2025	100,000	-
0.70	200,000	February 23, 2026	200,000	-
0.56	100,000	March 5, 2026	100,000	-
0.60	1,190,000	April 20, 2026	1,190,000	-
0.60	350,000	April 21, 2026	350,000	-
0.63	85,000	May 3, 2026	85,000	-
0.74	200,000	October 20, 2026	200,000	-
0.31	300,000	April 20, 2028	112,500	150,000
0.25	1,150,000*	June 14, 2028	1,112,500	50,000
	4,405,000		4,205,000	200,000

* Included in this grant are replacement options for the options that were previously cancelled. The Company recognized an incremental fair value expense of $43,008 in the year ended December 31, 2023 on such replacement options, which is included in the share-based payments amount below.

The Company recorded share-based payments of $4,110 and $11,849 for the three months and six months ended June 30, 2024 (2023 - $97,227 and $156,513) for all stock options granted and/or vested during the period.

(e) Restricted share units

RSUs granted to directors, officers, and consultants vest over a period of 2 years. The continuity of RSUs issued and outstanding is as follows:

	RSUs Outstanding	Weighted Average Fair Price
	#	$
Balance, December 31, 2022	436,750	0.75
Granted	185,000	0.20
Vested and released	(323,625)	0.73
Balance, December 31, 2023 and June 30, 2024	298,125	0.43

The total share-based payments related to RSUs granted and/or vested for the three and six months ended June 30, 2024 were $4,489 and $10,234 (2023 - $19,304 and $53,507).

(Expressed in Canadian Dollars)

8. Share Capital and Reserves (Continued)

(f) Reserves

Share based payments reserve represent the fair value of stock options or warrants until such time that the stock options and warrants are exercised, at which time the corresponding amount will be transferred to share capital. In addition, upon expiry or forfeiture, the fair value of such vested stock options or warrant is reclassified from the reserve to the retained earnings/(deficit) for presentational purposes.

Foreign exchange translation reserve represents the accumulated foreign exchange differences from the translation of the financial information of the Company's subsidiaries to the presentation currency of the consolidated financial statements.

Convertible debenture reserve represents the equity components of convertible debentures. Upon conversion, the equity component is reclassified from reserve to the retained earnings/(deficit) for presentation purpose.

(g) Share subscription payable

Share subscriptions consist of shares to be issued for warrant exercise or private placements that were not closed at the end of the period.

9. Related Party Balances and Transactions

(a) Related party transactions

The Company incurred the following transactions with officers, directors and companies having directors or officers in common:

	Three months ended June 30,		**Six months ended June 30,**	
	2024	**2023**	**2024**	**2023**
			$	$
Office, rent and administration (1)	-	(3,529)	(3,850)	6,917

(1) Shared office, rent and administration expenses and recoveries are paid to and from companies with common directors and officers.

(b) Compensation of key management personnel

The Company's key management personnel have authority and responsibility for planning, directing, and controlling the activities of the Company and consist of its Directors, CEO and CFO. During the three and six months ended June 30, 2024 and 2023, the following amounts of the key management compensation were incurred:

	Three months ended June 30,		**Six months ended June 30,**	
	2024	**2023**	**2024**	**2023**
			$	$
CEO salary	60,000	60,000	120,000	120,000
Professional fees (1)	30,000	30,000	60,000	60,000
Share-based payments	4,860	86,737	11,610	141,787
	94,860	176,737	191,610	321,787

(1) Professional fees paid to a company controlled by the CFO of the Company for accounting and corporate secretarial services provided.

(Expressed in Canadian Dollars)

9. Related Party Balances and Transactions (Continued)

(c) Related party balances

The following related party amounts are included in prepaid expenses and deposits, accounts payable and accrued liabilities, notes payable, and convertible debt.

	June 30, 2024	December 31, 2023
	$	$
Included in prepaid expenses and deposits:		
Company having directors and officers in common	2,000	2,000
Included in accounts payable and accrued expenses (Note 5):		
Companies having directors and officers in common	(150,614)	(76,671)
Amounts owing to the CFO and CEO of the Company	(981,465)	(751,465)
Included in notes payable (Note 6)		
Companies having directors and officers in common	(224,522)	(205,000)
Included in convertible debt (Note 7):		
Companies having directors and officers in common	(650,000)	(650,000)

(d) Notes payable to a related party

As at June 30, 2024, the Company has an aggregate notes payable outstanding of $224,522 from a company that has common directors and officers (December 31, 2023: $224,522). The notes are unsecured with a one-year term and bear an interest rate of 24% per annum. Accrued interest on the notes was $70,626 (December 31, 2023 – $43,157), which is included in accounts payable and accrued liabilities on the consolidated statements of financial position (Note 6).

10. Fair Value of Financial Instruments

The Company's financial instruments include cash, accounts payable, notes payable and convertible debenture. The carrying values of these financial instruments approximate their fair values due to the short-term maturity of the instruments.

The significance of inputs used in making fair value measurements are examined and classified according to a fair value hierarchy. Fair values of assets and liabilities included in Level 1 are determined by reference to quoted prices in active markets for identical assets and liabilities. Assets and liabilities in Level 2 include valuations using inputs other than quoted prices for which all significant outputs are observable, either directly or indirectly, and are based on valuation models and techniques where the inputs are derived from quoted indices. Level 3 valuations are based on inputs that are unobservable and significant to the overall fair value measurement.

During the periods ended June 30, 2024 and 2023, there were no transfers of amounts between Level 1, Level 2, and Level 3 of the fair value hierarchy. Cash was recorded using Level 1 input.

(Expressed in Canadian Dollars)

11. Risk Management

(a) Credit risk

Credit risk is the risk of an unexpected loss if a third party to a financial instrument fails to meet its contractual obligations. The Company's exposure to credit risk includes cash and amount receivable. The Company's maximum exposure to credit risk is equal to the carrying value of the financial assets. The Company reduces its credit risk by maintaining its bank accounts at large financial institutions. The amount receivable is from the Canada Revenue Agency (GST receivable). Credit risk associated with receivable was considered low.

(b) Liquidity risk

Liquidity risk is the risk that the Company cannot meet its financial obligations as they become due. The Company's approach to managing liquidity is to ensure that it will have sufficient liquidity to settle liabilities and obligations when they become due. As at June 30, 2024, the Company had cash of $2,551 to settle current liabilities of $5,039,430. Liquidity risk is assessed as high.

(c) Currency risk

Currency risk is the risk that the fair value of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company is exposed to foreign exchange rate risk mainly due to its exploration activities in Chile. The Company manages its risk by using large accredited financial institutions to process its foreign currency transactions ensuring the market rate of foreign exchange.

	Canadian dollar value of US dollar balances		**Canadian dollar value of Chilean peso balances**	
	June 30, 2024	**December 31, 2023**	**June 30, 2024**	**December 31, 2023**
	$	$	$	$
Cash and equivalents	1	1	-	-
Accounts payable and accrued liabilities	(98,607)	(96,678)	(1,985,573)	(1,804,092)
	(98,607)	(96,677)	(1,695,245)	(1,804,092)

Based on the above net exposures as at June 30, 2024, a 10% appreciation in the US dollar would result in a $9,861 change in the Company's other comprehensive income for the year that then ended (December 31, 2023 - $9,668). A 10% appreciation in the Chilean peso would result in a $198,557 change in the Company's income before income taxes (December 31, 2023 - $180,409).

(d) Interest rate risk

Interest rate risk arises from the possibility that changes in interest rates will affect future cash flows or fair values of financial instruments. It arises when the Company invests in interest-bearing financial instruments. The Company's notes payable and convertible debt have fixed interest rates. As at June 30, 2024, the Company did not have any financial instruments subject to significant interest rate risk.

(Expressed in Canadian Dollars)

12. Capital Management

The Company's objective when managing capital is to safeguard the Company's ability to continue as a going concern such that it can continue to provide returns for shareholders and benefits for other stakeholders. The Company considers the items included in shareholders' equity as capital. The management of the capital structure is based on the funds available to the Company in order to support the acquisition, exploration and development of mineral properties and to maintain the Company in good standing with the various regulatory authorities. In order to maintain or adjust its capital structure, the Company may issue new shares or debt or sell assets to settle liabilities.

The Company's historical sources of capital have consisted of the sale of equity securities. In order for the Company to carry out planned exploration and development and pay for administrative costs, the Company will spend its working capital and expects to raise additional amounts externally as needed.

The Company is not subject to externally imposed capital requirements and there were no changes in the Company's management of capital during the period ended June 30, 2024.

13. Commitments and Contingencies

As at June 30, 2024, the Company has the following commitments:

	Within 1 year	Within 2 years	Within 3 years	Total
	$	$	$	$
Accounts payable and accruals (Note 5)	3,735,907	-	-	3,735,907
Notes payable (Note 6)	353,523	-	-	353,523
Convertible debenture (Note 7) - undiscounted	950,000	-	-	950,000
	5,039,430	-	-	5,039,430

14. Segment Information

Operating segments are those operations whose operating results are reviewed by the chief operating decision-maker (the individual or individuals performing the duties of the Chief Executive Officer) to make decisions about resources to be allocated to the segments and assess their performance, provided those operations pass certain quantitative thresholds, or are deemed significant by management. In order to determine if operating segments shall be aggregated, management reviews various factors, including economic characteristics, nature of their products, production process, regulatory environment, geographical location and managerial structure. Given the size and current stage of its development, no aggregation of segments was made.

The Company operates in the mining industry in Chile. The Company did not generate revenue and/or production costs in the three and six months periods ended June 30, 2024, and 2023. As at June 30, 2024 and December 31, 2023, the Company's mining properties are located in Chile (Choquelimpie). Other reportable segment consists of head office/corporate functions and Burge Lake Project, as it was fully impaired in 2021.

(Expressed in Canadian Dollars)

14. Segment Information (continued)

The following tables summarize segment information of the Company:

	Three months ending June 30, 2024			Three months ending June 30, 2023		
	Choquelimpie Project	Other	Total	Choquelimpie Project	Other	Total
Depreciation	-	-	-	9,300	-	9,300
Exploration cost	217,980	5,000	222,980	164,851	2,324	167,175
Share-based payments	-	8,599	8,599	-	116,531	116,531
Loss before other items	217,980	(97,585)	120,395	164,851	302,821	467,672
Interest income	-	297	297	-	-	-
Net loss for the period	217,980	(66,515)	151,465	164,851	345,686	510,537

	Six months ended June 30, 2024			Six months ended June 30, 2023		
	Choquelimpie Project	Other	Total	Choquelimpie Project	Other	Total
Depreciation	-	-	-	18,600	-	18,600
Exploration cost	299,788	20,000	319,788	355,496	2,324	357,820
Share-based payments	-	21,723	21,723	-	210,020	210,020
Loss before other items	299,788	320,968	620,756	355,496	591,084	946,580
Interest income	-	1,450	1,450	-	648	648
Net loss for the period	299,788	381,76	681,514	355,496	709,873	1,065,369

	June 31, 2024			December 31, 2023		
	Choquelimpie Project	Other	Total	Choquelimpie Project	Other	Total
Mineral property	27,477,053	-	27,477,053	27,477,053	-	27,477,053
Total assets	27,477,053	39,728	27,516,781	27,477,053	42,922	27,519,975
Total liabilities	1,739,959	2,893,024	4,632,983	1,840,712	2,687,249	4,527,961

(Expressed in Canadian Dollars)

15. Lease Liability

The Company entered into a lease agreement to rent a truck for use at its camp at Choquelimpie in Chile. During November 2021, the Company leased a second truck for use at its camp at Choquelimpie. The lease agreements are for the non-cancellable term of 36 months and average total monthly payments of $3,780. The Company used a 13% incremental borrowing rate to derive its lease liability. During the year ended December 31, 2023, the Company terminated this lease agreement.

The Company applied an exemption in accordance with IFRS16 with regard to short-term leases. The annual expense is summarized below.

Amounts recognized in the statement of financial position are as follows:

	Trucks lease
	$
Lease liability, December 31, 2022	**59,900**
Accretion	5,300
Accrued	(45,413)
Payment	(2,287)
Lease termination	(17,500)
Lease liability, December 31, 2023 and June 30, 2024	-

Amounts recognized in statement of comprehensive loss for the three months ended June 30, 2024 and 2023 are as follows:

	Three months ended June 30,	
	2024	**2023**
	$	$
Depreciation expense on ROU (Note 4)	-	9,300
Accretion expense on lease liability	-	1,800
Short term lease expenses	2,452	58,984
	2,452	**70,084**