



Condensed Consolidated Interim Financial Statements

For the Six Months Ended September 30, 2023

(unaudited)

(Expressed in Canadian Dollars, except as otherwise noted)

NOTICE TO READER

Under 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 the financial statements have not been reviewed by an auditor.

The accompanying unaudited condensed consolidated interim financial statements have been prepared by and are the responsibility of the management.

The Company's independent auditor has not performed a review of these financial statements in accordance with the standards established by the Canadian Institute of Chartered Accountants for a review of interim financial statements by an entity's auditor.

MONTREAL, QUEBEC
November 29, 2023

St-Georges Eco-Mining Corp.
Condensed Consolidated Interim Statements of Financial Position
(unaudited)
(Expressed in Canadian Dollars, except as otherwise noted)

As at	Note	September 30, 2023	March 31, 2023
		\$	\$
Assets			
Current assets			
Cash		80,872	1,527,292
Lawyers in trust		180,982	100,442
Accounts receivable		556,859	897,506
Prepaid expenses		388,964	285,200
Marketable securities	9	195,471	307,525
Total current assets		1,403,148	3,117,965
Non-current assets			
Equipment	6	188,374	110,178
ROU asset	20	1,472,559	1,577,768
Exploration and evaluation assets	6	20,399,808	19,665,202
Building and land	6	248,783	252,711
Battery recycling plant	6	549,711	396,845
Other assets		1,531,941	1,323,694
Total assets		25,794,324	26,444,363
Liabilities and Shareholders' Equity (Deficiency)			
Current liabilities			
Accounts payable and accrued liabilities	11	4,266,452	4,692,614
Debt due on demand	12	4,444,360	4,323,913
Flow-through liability	13	43,000	43,000
Lease liability	20	254,046	269,101
Convertible debentures at fair value	12	12,499	11,958
Total current liabilities		9,020,357	9,340,586
Long-Term Liabilities			
Loan from Related Party	17	94,448	20,000
Lease liability	20	1,237,529	1,312,659
Total liabilities		10,352,334	10,673,245
Shareholders' equity			
Common shares	13	48,857,297	48,124,503
Obligation to issue shares	7,12,13	-	227,150
Capital surplus	13	1,673,641	1,740,364
Reserves	13,17	19,909,415	19,128,927
Subscriptions receivable	13	(18,500)	(3,895)
Deficit		(42,950,259)	(41,445,897)
Shareholders' equity		27,471,594	27,771,152
Non-controlling interest	1	(12,029,604)	(12,000,034)
Total shareholders' equity		15,441,990	15,771,118
Total liabilities and shareholders' equity		25,794,324	26,444,363

Contingencies (Note 19)
Subsequent events (Note 21)

signed "Herb Duerr"

Herb Duerr
President and Chief Executive Officer

signed "Richard Barnett"

Richard Barnett
Chief Financial Officer

St-Georges Eco-Mining Corp.
Condensed Consolidated Interim Statements of Loss and Comprehensive Loss
(unaudited)
(Expressed in Canadian Dollars, except as otherwise noted)

	Note	Six months ended September 30,		Three months ended September 30,	
		2023 \$	2022 \$	2023 \$	2022 \$
Operating expenses					
Accretion and interest expenses	12	140,988	790,306	70,879	398,189
Consulting fees	17	180,804	244,836	106,384	142,888
Management fees	17	284,250	696,515	124,879	362,478
Office expenses		306,362	126,005	95,038	64,555
Professional fees		246,583	186,146	138,663	152,420
Property Tax	6	11,292	10,537	5,292	10,537
Publicity and promotions		71,461	187,748	40,061	107,565
Research and development fees	8, 17	44,524	646,549	24,719	249,068
Salary		9,080	100,995	9,080	57,705
Stock-based compensation	17	533,954	-	533,954	-
Transfer agent and listing fees		29,899	58,740	18,028	47,931
Travel		43,248	111,151	13,443	29,505
Loss from operations		(1,902,445)	(3,159,528)	(1,180,420)	(1,622,841)
Other items					
Unrealized gain (loss) on marketable securities	9	(138,909)	73,863	(247,051)	130,142
Loss on sale of marketable securities	9	(84,318)	-	(15,665)	-
Gain on disposal of BWA shares	9	-	57,000	-	57,000
Foreign exchange gain (loss)		28,920	233,552	(62,212)	96,749
Impairment loss on property	6	-	(234,504)	-	-
Gain on fair market value change in debentures	12	-	14,667	-	14,667
Gain (loss) on write-off accounts payable		(15)	35	-	-
Gain on investments	6	244,955	-	244,955	-
Rental income	6	24,007	12,002	12,003	12,002
Net loss and comprehensive loss		(1,827,805)	(3,002,913)	(1,248,390)	(1,312,281)
Net loss per share – basic and diluted		\$ (0.01)	\$ (0.01)	\$ (0.01)	\$ (0.01)
Weighted average number of common shares outstanding basic and diluted		245,975,026	225,520,928	247,020,928	225,520,928
Net loss and comprehensive loss attributable to:					
Shareholders of the Company		(1,504,362)	(1,867,329)	(1,120,335)	(731,371)
Non-controlling interests		(323,443)	(1,135,584)	(128,055)	(580,910)
		(1,827,805)	(3,002,913)	(1,248,390)	(1,312,281)

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

St-Georges Eco-Mining Corp.

Condensed Consolidated Interim Statements of Changes in Shareholders' Equity (Deficiency)

For the six months ended September 30, 2023 and 2022

(Unaudited)

(Expressed in Canadian Dollars, except as otherwise noted)

	Number of Common Shares	Common Shares	Capital Surplus	Subscriptions Receivable	Obligation to Issue Shares	Reserve	Deficit accumulated	Shareholders' Equity (Deficiency)	Non-Controlling Interests	Total Shareholders' Equity (Deficiency)
		\$	\$	\$	\$	\$	\$	\$	\$	\$
Balance as at March 31, 2022	225,520,928	44,995,938	2,657,874	(95,000)	-	13,695,578	(39,486,653)	21,767,737	(13,180,900)	8,586,837
Shares issued for cash	-	(4,953)	-	-	-	-	-	(4,953)	-	(4,953)
Subscriptions received	-	-	-	95,000	-	-	-	95,000	-	95,000
Allocation of equity to non-controlling	-	-	-	-	-	-	1,135,584	1,135,584	(1,135,584)	-
Net loss for the period	-	-	-	-	-	-	(3,002,913)	(3,002,913)	-	(3,002,913)
Balance as at September 30, 2022	225,520,928	44,990,985	2,657,874	-	-	13,695,578	(41,353,982)	19,990,455	(14,316,484)	5,673,971
Balance as at March 31, 2023	244,820,928	48,124,503	1,740,364	(3,895)	227,150	19,128,927	(41,445,897)	27,771,152	(12,000,034)	15,771,118
Shares issued for cash	6,150,000	540,488	-	-	-	235,100	-	775,588	-	775,588
Finders fees – cash	-	(26,760)	-	-	-	-	-	(26,760)	-	(26,760)
Finders fees – warrants	-	(11,434)	-	-	-	11,434	-	-	-	-
Shares issued for debt	2,120,000	212,000	-	3,895	-	-	-	215,895	-	215,895
Subscriptions receivable	185,000	18,500	-	(18,500)	-	-	-	-	-	-
Stock-based compensation	-	-	-	-	-	533,954	-	533,954	-	533,954
Capital contributions made by non-controlling interest	-	-	-	-	(227,150)	-	-	(227,150)	227,150	-
Allocation of equity to non-controlling	-	-	(66,723)	-	-	-	323,443	256,720	(256,720)	-
Net loss for the period	-	-	-	-	-	-	(1,827,805)	(1,827,805)	-	(1,827,805)
Balance as at September 30, 2023	253,275,928	48,857,297	1,673,641	(18,500)	-	19,909,415	(42,950,259)	27,471,594	(12,029,604)	15,441,990

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

St-Georges Eco-Mining Corp.
Condensed Consolidated Interim Statements of Cash Flows
(Unaudited)
(Expressed in Canadian Dollars)

For the six months ended September 30,	2023	2022
	\$	\$
Operating activities		
Net loss and comprehensive loss for the period	(1,827,805)	(3,002,913)
Non-cash items		
Accretion and interest on convertible debenture	140,988	790,306
Unrealized loss (gain) on marketable securities	138,909	(73,863)
Loss on sale of marketable securities	84,318	-
Gain on disposal of BWA shares	-	(57,000)
Depreciation expenses	5,041	3,139
Foreign exchange loss (gain)	(28,920)	(63,465)
Stock-based compensation	533,954	-
Loss (gain) on write-off accounts payable	15	(35)
Gain on fair market value change in debentures	-	(14,667)
Gain on investments	(244,955)	-
	<u>(1,198,455)</u>	<u>(2,418,498)</u>
Net changes in working capital items		
Payment to promissory notes	(20,000)	-
Prepaid expenses	(184,304)	(436,432)
Accounts receivable	340,647	603,844
Accounts payable and accrued liabilities	(184,789)	270,191
	<u>(48,446)</u>	<u>437,603</u>
Net cash used in operating activities	(1,246,901)	(1,980,895)
Investing activities		
Exploration and evaluation recovery	(734,606)	(577,921)
Impairment on property	-	234,504
Purchase of building and land	-	(258,694)
Purchase of equipment	(79,358)	-
Other Assets and Plant	(361,113)	-
Net proceeds from sale of marketable securities	133,782	-
Net cash used in investing activities	(1,041,295)	(602,111)
Financing activities		
Shares issued for cash (net)	748,828	-
Subscription received	18,500	95,000
Fund advance from related parties	74,448	-
Net cash provided by financing activities	841,776	95,000
Change in cash	(1,446,420)	(2,488,006)
Cash, beginning of period	1,527,292	3,937,083
Cash, end of period	80,872	1,449,077

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

St-Georges Eco-Mining Corp.

Notes to the Condensed Consolidated Interim Financial Statements

For the six months ended September 30, 2023

(Expressed in Canadian dollars, except as otherwise noted - unaudited)

1. Corporate Information and Going Concern of Operations

St-Georges Eco-Mining Corp. (the “Company” or “St-Georges”) was incorporated under the Canada Business Corporations Act on June 21, 2002. The Company is listed on the Canadian Securities Exchange (“CSE”), having the symbol SX, on the OTCQB, having the symbol SXOOF, and on the Deutsche Börse in Frankfurt (FSE) under the symbol 85G1. The address of the Company’s corporate office and principal place of business is 2700-1000 Rue Sherbrooke West, Montreal, QC H3A 3G4, Canada. The Company maintains a diversified portfolio of complementary businesses focused on Critical and Strategic Minerals (CSMs) and covering key activities from mining exploration to minerals recovery and valorization.

In May 2018, the Company signed an Arrangement Agreement (“Arrangement”) providing for the spin-out of its subsidiary ZeU Technologies Inc. (formerly ZeU Crypto Networks Inc.) (“ZeU”) with the intent of listing ZeU on the Canadian Securities Exchange (“CSE”).

On December 24, 2019, the CSE accepted the listing of the common shares of ZeU, and ZeU started trading on the CSE on December 30, 2019, under the symbol “ZEU”. As a result of the Arrangement, effective December 24, 2019, ZeU ceased to be a wholly-owned subsidiary of the Company. ZeU distributed 11,098,074 shares of the 20,000,000 shares held by the Company to the Company’s shareholders pursuant to the Arrangement. At September 30, 2023, the Company retained 11,522,519 (March 31, 2023 – 10,136,191) shares and de facto control of ZeU.

The consolidated financial statements have been prepared on a going concern basis, which contemplates continuity of normal business activities and the realization of assets and discharge of liabilities in the normal course of business. At September 30, 2023, the Company had not yet achieved profitable operations, had an accumulated deficit of \$42,950,259 (March 31, 2023 - \$41,445,897), had no operating income and had a working capital deficiency of \$7,617,209 (March 31, 2023 - \$6,222,621), reoccurring losses, no revenue from operations. As such, the Company’s ability to continue as a going concern depends on its ability to raise additional financing successfully. If additional capital is not raised, the going concern basis may not be appropriate with the result that the Company may have to realize its assets and extinguish its liabilities other than in the ordinary course of business and at amounts different from those stated in the financial statements. No adjustments for such circumstances have been made in the consolidated financial statements.

The recoverability of amounts shown for exploration and evaluation assets is dependent upon the discovery of economically recoverable reserves, continuation of the Company’s interest in the underlying resource claims, the ability of the Company to obtain the necessary financing to complete their development and upon future profitable production or proceeds from the disposition thereof. Although the Company has been successful in the past in obtaining financing, 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. 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.

St-Georges Eco-Mining Corp.

Notes to the Condensed Consolidated Interim Financial Statements

For the six months ended September 30, 2023
(Expressed in Canadian dollars, except as otherwise noted - unaudited)

2. Basis of Presentation

a) Statement of Compliance

These condensed consolidated interim financial statements of the Company for the period ended September 30, 2023 have been prepared in accordance with International Financial Reporting Standards (“IFRS”) applicable to the preparation of interim financial statements, including IAS 34, Interim Financial Reporting.

These financial statements follow the same accounting policies and methods of application as our most recent annual financial statements. Accordingly, they should be read in conjunction with the annual consolidated financial statements for the year ended March 31, 2023, which have been prepared in accordance with IFRS as issued by the IASB.

The consolidated financial statements of the Company were authorized for issue by the Board of Directors on November 29, 2023.

b) Basis of Measurement

The consolidated financial statements have been prepared on a historical cost basis except for certain assets and liabilities measured at fair value as required under specific IFRS pronouncements.

The preparation of financial statements in compliance with IFRS requires management to make certain critical accounting estimates. It also requires management to exercise judgment in applying the Company’s accounting policies. The areas involving a higher degree of judgement or complexity or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 4.

c) Basis of Consolidation

These consolidated financial statements comprise the accounts of the Company and the following controlled subsidiaries:

Name	Country of incorporation	Ownership Percentage
Iceland Resources EHF (“Iceland Resources”)	Iceland	100%
Melmi ehf Iceland (“Melmi”)	Iceland	100%
ZeU Technologies Inc. (“ZeU”)	Canada	26.99%
ZeUPay Inc. (“ZeUPay”)	Canada	26.99%
ZeUPay AS	Norway	26.99%
ZeU Gaming Inc. (“ZeU Gaming”)	Canada	26.99%
Borealis Commodities Exchange ehf (“Borealis”)	Iceland	100%
St-Georges Metallurgy Corp. (“St-Georges Metallurgy”)	Canada	100%
EVSX Corp. (“EVSX”)	Canada	100%
H2SX Corp. (“H2SX”)	Canada	100%

All intercompany transactions, balances and unrealized gains and losses from intercompany transactions are eliminated on consolidation. ZeU is consolidated due to the fact that common directors of St-Georges control the operations of ZeU.

During the year ended March 31, 2023, the Company discontinued operations in ZeUPay AS (Note 7).

St-Georges Eco-Mining Corp.

Notes to the Condensed Consolidated Interim Financial Statements

For the six months ended September 30, 2023
(Expressed in Canadian dollars, except as otherwise noted - unaudited)

2. Basis of Presentation (continued)

d) Functional and Presentation Currency

The functional currency of the parent company is the Canadian dollar, which is also the presentation currency of the consolidated financial statements. The functional currency of the Company and its subsidiaries is the Canadian dollar, and the functional currency of its subsidiaries, Iceland Resources EHF, Melmi ehf, and Borealis Commodities Exchange ehf., is the Iceland Krona.

3. Summary of Significant Accounting Policies

Standards, Amendments and Interpretations Issued but not yet Adopted

The following future accounting standards may include the following, which we believe are unlikely to have a material impact on future financial statements:

IAS 1, "Presentation of Financial Statements" which sets out the overall requirements for financial statements, including how they should be structured, the minimum requirements for their content and overriding concepts such as going concern, the accrual basis of accounting and the current/non-current distinction.

IAS 8, "Changes in Accounting Estimates and Errors" which requires compliance with any specific IFRS applying to a transaction, event or condition, and provides guidance on developing accounting policies for other items that result in relevant and reliable information.

IFRS 10, "Consolidated Financial Statements" outlines the requirements for the preparation and presentation of consolidated financial statements, requiring entities to consolidate entities it controls.

IAS 28 "Investments in Associates and Joint Ventures" outlines how to apply, with certain limited exceptions, the equity method to investments in associates and joint ventures.

IFRS 12 "Disclosure of Interests in Other Entities" is a consolidated disclosure standard requiring a wide range of disclosures about an entity's interests in subsidiaries, joint arrangements, associates and unconsolidated 'structured entities'.

Transactions in foreign currencies are initially recorded in the functional currency by applying exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are re-translated to the functional currency at the closing rate (the exchange rate at the reporting date). Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are re-translated to the functional currency at the exchange rate at the date that the fair value was determined. Foreign currency differences arising on re-translation are recognized in the consolidated statements of loss and comprehensive loss.

The accounting policies set out below have been applied consistently to all periods presented in these consolidated financial statements.

St-Georges Eco-Mining Corp.

Notes to the Condensed Consolidated Interim Financial Statements

For the six months ended September 30, 2023
(Expressed in Canadian dollars, except as otherwise noted - unaudited)

3. Summary of Significant Accounting Policies (continued)

a) Mining Properties and Deferred Exploration and Evaluation Expenditures

Pre-exploration Costs

Pre-exploration costs are expensed in the year in which they are incurred.

Exploration and Evaluation Expenditures

Once the legal right to explore a property has been acquired, costs directly related to exploration and evaluation (“E&E”) expenditures are recognized and capitalized, in addition to the acquisition costs. These direct expenditures include such costs as materials used, surveying costs, drilling costs, payments made to contractors and depreciation on plant and equipment during the exploration phase. Costs not directly attributable to exploration and evaluation activities, including general administrative overhead costs, are expensed in the year in which they occur. Tax credits and mining duties are applied to reduce related E&E expenditures in the period recognized.

The Company may occasionally enter into farm-out arrangements, whereby the Company will transfer part of a mineral interest, as consideration, for an agreement by the transferee to meet certain exploration and evaluation expenditures which would have otherwise been undertaken by the Company. The Company does not record any expenditures made by the farmer on its behalf. Any cash consideration received from the agreement is credited against the costs previously capitalized to the mineral interest given up by the Company, with any excess cash accounted for as a gain on disposal.

When a project is deemed to no longer have commercially viable prospects for the Company, E&E expenditures in respect of that project are deemed to be impaired. As a result, those E&E expenditures, in excess of estimated recoveries, are written off to the consolidated statements of loss and comprehensive loss.

The Company assesses E&E assets for impairment when facts and circumstances suggest that the carrying amount of an asset may exceed its recoverable amount. The recoverable amount is the higher of the asset’s fair value less costs to sell and value in use.

Once the technical feasibility and commercial viability of extracting the mineral resource have been determined, the property is considered to be a mine under development and is classified as ‘mines under construction’. E&E assets are also tested for impairment before the assets are transferred to development properties. Mining exploration and evaluation expenditures are classified as intangible assets.

b) Impairment of Non-Financial Assets

Impairment tests on intangible assets with indefinite useful economic lives are undertaken annually at the financial year-end. Other non-financial assets, including exploration and evaluation assets, are subject to impairment tests whenever events or changes in circumstances indicate that their carrying amount may not be recoverable. Where the carrying value of an asset exceeds its recoverable amount, which is the higher of value in use and fair value less costs to sell, the asset is written down accordingly.

Where it is not possible to estimate the recoverable amount of an individual asset, the impairment test is carried out on the asset’s cash-generating unit, which is the lowest group of assets in which the asset belongs for which there are separately identifiable cash inflows that are largely independent of the cash inflows from other assets. An impairment loss is charged to profit or loss, except to the extent they reverse gains previously recognized in accumulated other comprehensive loss.

St-Georges Eco-Mining Corp.

Notes to the Condensed Consolidated Interim Financial Statements

For the six months ended September 30, 2023

(Expressed in Canadian dollars, except as otherwise noted - unaudited)

3. Summary of Significant Accounting Policies (continued)

c) Classification of digital currencies as current assets

The Company has determined that digital currencies are intangible assets under IAS 38 Intangible Assets as they are identifiable non-monetary assets without physical substance. The Company has classified digital currencies as current assets; if based on management's assessment its digital currencies held are considered to be commodities, there is a liquid market in which the Company may sell a portion of its holdings and if the Company is able to sell a portion of its digital currencies in the near future to generate a profit from price fluctuations. Digital currencies not classified as current assets are classified as long-term assets.

Digital currencies are initially recorded on the consolidated statements of financial position at their cost on the date acquired and are only remeasured at each reporting date if those assets are traded in an active market. Digital currencies that are not traded in an active market will be recorded at historical cost. Revaluation losses, as well as realized gains or losses on the sale of digital currencies, are included in the consolidated statement of loss and comprehensive loss. Unrealized revaluation gains, for those digital currencies that are traded in an active market, above their initial fair, are included in other comprehensive income.

As at September 30, 2023, the Company currently holds digital currencies that are not traded in a regulated active market and has therefore valued them at \$nil (March 31, 2023 - \$nil).

d) Financial Instruments

Classification

The Company classifies its financial instruments in the following categories: at fair value through profit and loss ("FVTPL"), at fair value through other comprehensive income (loss) ("FVTOCI") or at amortized cost. The Company determines the classification of financial assets at initial recognition. The classification of debt instruments is driven by the Company's business model for managing the financial assets and their contractual cash flow characteristics. Equity instruments that are held for trading are classified as FVTPL. For other equity instruments, on the day of acquisition, the Company can make an irrevocable election (on an instrument-by-instrument basis) to designate them as at FVTOCI. Financial liabilities are measured at amortized cost, unless they are required to be measured at FVTPL (such as instruments held for trading or derivatives) or if the Company has opted to measure them at FVTPL.

Cash, promissory note receivable, marketable securities, loans from related parties, convertible debenture investment, certain convertible debentures, and derivative liability are classified as FVTPL. Accounts receivable, accounts payable, debt due on demand, and certain convertible debentures are classified as amortized cost.

Measurement

Financial assets and liabilities at amortized cost

Financial assets and liabilities at amortized cost are initially recognized at fair value plus or minus transaction costs, respectively, and subsequently carried at amortized cost less any impairment.

Financial assets and liabilities at FVTPL

Financial assets and liabilities carried at FVTPL are initially recorded at fair value and transaction costs are expensed in the consolidated statements of comprehensive loss. Realized and unrealized gains and losses arising from changes in the fair value of the financial assets and liabilities held at FVTPL are included in the consolidated statements of loss and comprehensive loss in the period in which they arise. Where management has opted to recognize a financial liability at FVTPL, any changes associated with the Company's own credit risk will be recognized in other comprehensive loss.

St-Georges Eco-Mining Corp.

Notes to the Condensed Consolidated Interim Financial Statements

For the six months ended September 30, 2023
(Expressed in Canadian dollars, except as otherwise noted - unaudited)

3. Summary of Significant Accounting Policies (continued)

d) Financial Instruments (continued)

Debt investments at FVTOCI

These assets are subsequently measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognized in profit or loss. Other net gains and losses are recognized in Other Comprehensive Income ("OCI"). On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss.

Equity investments at FVTOCI

These assets are subsequently measured at fair value. Dividends are recognized as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognized in OCI and are never reclassified to profit or loss.

Impairment of financial assets at amortized cost

IFRS 9 requires the use of an expected credit loss model on financial assets that are measured at amortized cost to account for expected credit losses at each reporting date to reflect changes in credit risk.

At each reporting date, the Company measures the loss allowance for the financial asset at an amount equal to the lifetime expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition. If at the reporting date, the financial asset has not increased significantly since initial recognition, the Company measures the loss allowance for the financial asset at an amount equal to the twelve-month expected credit losses. The Company shall recognize in the statements of loss and comprehensive loss, as an impairment gain or loss, the amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognized.

Derecognition

Financial assets

The Company derecognizes financial assets only when the contractual rights to cash flows from the financial assets expire, or when it transfers the financial assets and substantially all of the associated risks and rewards of ownership to another entity. Gains and losses on derecognition are generally recognized in the consolidated statements of loss and comprehensive loss.

Financial liabilities

The Company derecognizes a financial liability when its contractual obligations are discharged or cancelled, or expire. The Company also derecognizes a financial liability when the terms of the liability are modified such that the terms and or cash flows of the modified instrument are substantially different, in which case a new financial liability based on the modified terms is recognized at fair value. Gains and losses on derecognition are generally recognized in the consolidated statements of loss and comprehensive loss.

St-Georges Eco-Mining Corp.

Notes to the Condensed Consolidated Interim Financial Statements

For the six months ended September 30, 2023

(Expressed in Canadian dollars, except as otherwise noted - unaudited)

3. Summary of Significant Accounting Policies (continued)

d) Financial Instruments (continued)

Other financial liabilities

Financial liabilities are classified as other financial liabilities, based on the purpose for which the liability was incurred, and comprise of trade payables and accrued liabilities, debt due on demand and certain convertible debentures. These liabilities are initially recognized at fair value net of any transaction costs directly attributable to the issuance of the instrument and subsequently carried at amortized cost using the effective interest rate method. This ensures that any interest expense over the period to repayment is at a constant rate on the balance of the liability carried in the statement of financial position. Interest expense in this context includes initial transaction costs and premiums payable on redemption, as well as any interest or coupon payable while the liability is outstanding. This category includes accounts payable and accrued liabilities, certain convertible debentures, and debt due on demand.

e) Intangible assets

Intangible assets consist of digital currencies. If the digital currencies are traded in an active market, the Company initially records digital currencies at their cost on the date of acquisition and revalues the digital currencies at each reporting period at their then fair value under IAS 38. Under the revaluation model, intangible assets are measured at cost on initial recognition and subsequently remeasured at fair value at each reporting date. Unrealized revaluation increases above the initial cost or fair value are recognized in other comprehensive income. Revaluation losses, as well as realized gains or losses on the sale of digital currencies are included in the statement of loss and comprehensive loss.

For digital currencies that are not traded in an active market, the Company initially records the digital currencies at their cost on the date of acquisition and these digital currencies are not subsequently measured at fair value. At each reporting date, the Company will assess if the Digital currencies that are carried at cost are impaired and will record a loss if an impairment exists at the reporting date.

Intangible assets also include software and customers lists acquired from Prego. These are indefinite assets with no expiration date and are tested annually for impairment, with any impairment recorded as a loss.

f) Research and development

Expenditure on research activities is recognized as an expense in the period in which it is incurred. An internally generated intangible asset arising from development (or from the development phase of an internal project) is recognized if, and only if, all of the following have been demonstrated:

- The technical feasibility of completing the intangible asset so that it will be available for use or sale;
- The intention to complete the intangible asset and use or sell it;
- The ability to use or sell the intangible asset;
- How the intangible asset will generate probable future economic benefits;
- The availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and
- The ability to measure the expenditure attributable to the intangible asset reliably during its development.

The amount initially recognized for internally-generated intangible assets is the sum of the expenditure incurred from the date when the intangible asset first meets the recognition criteria listed above. Where no internally generated intangible asset can be recognized, development expenditure is recognized in the loss in the period in which the expenditure is incurred.

St-Georges Eco-Mining Corp.

Notes to the Condensed Consolidated Interim Financial Statements

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3. Summary of Significant Accounting Policies (continued)

f) Research and development (continued)

Subsequent to initial recognition, internally-generated intangible assets are recorded at cost less accumulated amortization and accumulated impairment losses, on the same basis as intangible assets that are acquired separately.

At September 30, 2023 and March 31, 2023, the Company had recognized part of its internally-generated intangible assets and had recorded the others incurred as research costs.

g) Revenue Recognition

Revenue is recognized to the extent it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government. The Company also provides consulting services to customize its products on a contract basis. Services are provided on both a time-and-materials basis and a fixed-fee basis. Revenue with respect to time-and-materials contracts is recognized as services are provided. Revenue from services on fixed fee contracts is recognized under the terms of the contract based upon when the services have been provided and accepted by the customer. Revenue from the sale of goods is recognized when the goods have been delivered and title has been passed. No revenue is recognized if there are significant uncertainties regarding recovery of the amount due, associated costs, or the possible return of goods.

h) Convertible debentures

Convertible debentures issued for cash are recorded at amortized cost and accounted for as a hybrid financial instrument with separate debt and derivative liability components. The derivative liability is recorded at fair value and deducted from the face value of the debt to arrive at the liability component, which will be accreted to face value over the life of the debenture. The derivative liability is remeasured at fair value at each period subsequent to initial recognition. Convertible debentures issued in consideration for goods and services are accounted as share-base payments under IFRS 2. At inception the fair value of the debt component is estimated and recorded as a liability, and the fair value of the conversion feature is determined and either recorded as a liability or as equity and allocated to capital surplus.

The carrying value of convertible debentures measured at amortized cost will be accreted to face value over the life of the debenture. The carrying value of convertible debentures measured at fair value is determined at each reporting date with changes in fair value recorded in profit or loss.

Any equity portion derecognized on settlements will be transferred to contributed surplus.

i) Tax Credits and Mining Duties

The Government of Quebec provides a 16% non-taxable refundable credit for losses to help operators meet exploration, mineral deposit evaluation and mine development costs by refunding part of eligible expenditures incurred. This credit is based on the lesser of:

- The amount of the annual loss; and
- 50% of eligible exploration expenditures, mineral deposit evaluation and mine development expenses, reduced by tax credits related to resources.

The Government of Quebec also offers businesses having establishments and that carry on activities in Quebec a refundable tax credit of 28% on eligible exploration expenses. Tax credits and mining duties, which are earned as a result of qualifying mineral exploration expenses, are recognized when the exploration expenses are incurred and collection is reasonably assured. They are applied to reduce related mineral exploration expense in the period recognized.

St-Georges Eco-Mining Corp.

Notes to the Condensed Consolidated Interim Financial Statements

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3. Summary of Significant Accounting Policies (continued)

j) Income Taxes

Income tax expense comprises of current and deferred tax. Current tax and deferred tax are recognized in net income except to the extent that it relates to a business combination or items recognized directly in equity or in other comprehensive loss.

Current income taxes are recognized for the estimated income taxes payable or receivable on taxable income or loss for the current year and any adjustment to income taxes payable in respect of previous years. Current income taxes are determined using tax rates and tax laws that have been enacted or substantively enacted by the year-end date.

Deferred tax assets and liabilities are recognized where the carrying amount of an asset or liability differs from its tax base, except for taxable temporary differences arising on the initial recognition of goodwill and temporary differences arising on the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction affects neither accounting nor taxable profit or loss.

Recognition of deferred tax assets for unused tax losses, tax credits and deductible temporary differences is restricted to those instances where it is probable that future taxable profit will be available against which the deferred tax asset can be utilized. At the end of each reporting year, the Company reassesses unrecognized deferred tax assets. The Company recognizes a previously unrecognized deferred tax asset to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

k) Business Combinations

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, measured at the acquisition date fair value. Acquisition costs incurred are expensed.

Acquisitions that do not meet the definition of a business combination are accounted for as asset acquisitions. Consideration paid for an asset acquisition is allocated to the individual identifiable assets acquired and liabilities assumed based on their relative fair values. Asset acquisitions do not give rise to goodwill.

l) Goodwill

Goodwill is initially measured at cost, being the excess of consideration transferred and the net identifiable assets acquired and liabilities assumed. After initial recognition, goodwill is measured at cost, less any impairment losses. For impairment testing, goodwill acquired is allocated to the individual units that are expected to benefit from the acquisition, regardless of whether they are assigned to those individual units.

m) Comprehensive Income or Loss

Other comprehensive income or loss is the change in equity from transactions and other events and circumstances from non-shareholder sources. It refers to items recognized in comprehensive income or loss but are excluded from net income or loss calculated in accordance with IFRS.

n) Provisions

Provisions are recognized if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate of the time value of money and the risks specific to the liability.

St-Georges Eco-Mining Corp.

Notes to the Condensed Consolidated Interim Financial Statements

For the six months ended September 30, 2023
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3. Summary of Significant Accounting Policies (continued)

o) Share Capital

Equity instruments are contracts that give a residual interest in the net assets of the Company. Financial instruments issued by the Company are classified as equity only to the extent that they do not meet the definition of a financial liability or financial asset. The Company's common shares, preferred shares, share warrants and flow-through shares are classified as equity instruments.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Flow-through Shares

The Company may, from time to time, issue flow-through common shares to finance a significant portion of its exploration program. Pursuant to the terms of the flow-through share agreements, these shares transfer the tax deductibility of qualifying resource expenditures to investors. On issuance, the Company bifurcates the flow-through share into i) a flow-through share premium, equal to the estimated premium, if any, investors pay for the flow-through feature, which is recognized as a liability, and ii) share capital.

Upon expenditures being incurred, the Company derecognizes the liability and recognizes a deferred tax liability for the amount of tax reduction renounced to the shareholders. The premium is recognized as other income, and the related deferred tax is recognized as a tax provision.

Proceeds received from the issuance of flow-through shares are restricted to be used only for Canadian resource property exploration expenditures within a two-year period. The portion of the proceeds received but not yet expended at the end of the Company's reporting year is disclosed separately as flow-through share proceeds.

The Company may also be subject to a Part XII.6 tax on flow-through proceeds renounced under the Look-back Rule, in accordance with Government of Canada flow-through regulations. When applicable, this tax is accrued as a financial expense until paid.

p) Share-based Payments

Where equity-settled share options are awarded to employees, the fair value of the options at the date of grant is charged to the consolidated statements of loss and comprehensive loss over the vesting period. Performance vesting conditions are taken into account by adjusting the number of equity instruments expected to vest at each reporting date so that, ultimately, the cumulative amount recognized over the vesting period is based on the number of options that eventually vest. Non-vesting conditions and market vesting conditions are factored into the fair value of the options granted. As long as all other vesting conditions are satisfied, a charge is made irrespective of whether these vesting conditions are satisfied. The cumulative expense is not adjusted for failure to achieve a market vesting condition or where a non-vesting condition is not satisfied.

Where the terms and conditions of options are modified before they vest, the increase in the fair value of the options, measured immediately before and after the modification, is also charged to the consolidated statement of loss and comprehensive loss over the remaining vesting period.

Where equity instruments are granted to employees, they are recorded at the fair value of the equity instrument granted at the grant date. The grant date fair value is recognized in comprehensive loss over the vesting period, described as the period during which all the vesting conditions are to be satisfied.

Where equity instruments are granted to non-employees, they are recorded at the fair value of the goods or services received in the consolidated statement of loss and comprehensive loss. Options or warrants granted related to the issuance of shares are recorded as a reduction of share capital.

St-Georges Eco-Mining Corp.
Notes to the Condensed Consolidated Interim Financial Statements
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3. Summary of Significant Accounting Policies (continued)

p) Share-based Payments (continued)

When the value of goods or services received in exchange for the share-based payment cannot be reliably estimated, the fair value is measured by the use of a valuation model.

All equity-settled share-based payments are reflected in reserves until exercised. Upon exercise, shares are issued from the treasury, and the amount reflected in reserves is credited to share capital, adjusted for any consideration paid.

Where a grant of options is cancelled or settled during the vesting period, excluding forfeitures when vesting conditions are not satisfied, the Company immediately accounts for the cancellation as an acceleration of vesting and recognizes the amount that otherwise would have been recognized for services received over the remainder of the vesting period. Any payment made to the employee on the cancellation is accounted for as the repurchase of an equity interest except to the extent the payment exceeds the fair value of the equity instrument granted, measured at the repurchase date. Any such excess is recognized as an expense.

q) Income or Loss per Share

The basic loss per share is computed by dividing the net income or loss applicable to common shares of the Company by the weighted average number of common shares outstanding for the relevant year.

The diluted loss per common share is computed by dividing the net income or loss applicable to common shares by the sum of the weighted average number of common shares issued and outstanding and all additional common shares that would have been outstanding, if potentially dilutive instruments were converted. Anti-dilutive instruments are ignored.

r) Rehabilitation Provisions

The Company is subject to various government laws and regulations relating to environmental disturbance caused by exploration and evaluation activities. The Company records the present value of the estimated costs of legal and constructive obligations required to restore the exploration sites in the period in which the obligation is incurred. The nature of the rehabilitation activities includes restoration, reclamation, and revegetation of the affected exploration sites.

The rehabilitation provision generally arises when the environmental disturbance is subject to government laws and regulations. When the liability is recognized, the present value of the estimated costs is capitalized by increasing the carrying amount of the related mining assets. Over time, the discounted liability is increased for the changes in present value based on current market discount rates and liability specific risks.

Additional environment disturbances or changes in rehabilitation costs will be recognized as additions to the corresponding assets and rehabilitation liability in the period in which they occur. As of September 30, 2023 and March 31, 2023, no rehabilitation provision has been recorded.

s) Net Smelters Return (“NSR”) Royalties

The NSR royalties are generally not to be accounted for when acquiring the mining property since they are deemed to be a contingent liability. Royalties are only accounted for when probable and can be measured with sufficient reliability.

St-Georges Eco-Mining Corp.

Notes to the Condensed Consolidated Interim Financial Statements

For the six months ended September 30, 2023
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3. Summary of Significant Accounting Policies (continued)

t) Leases

Effective January 1, 2019, the Company adopted IFRS 16 – Leases. The standard introduces a single lessee accounting model and requires the lessee to recognize assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. A lessee is required to recognize a right-of-use asset and a lease liability. The adoption of IFRS 16 had no impact on the financial statements as the Company had no leases as at January 1, 2019.

During the year ended December 31, 2020, the Company entered into a lease in Iceland (Note 20).

During the year ended March 31, 2023, the Company entered into a lease in Ontario Canada (Note 20). The right of use asset and the lease obligations has been disclosed in the consolidated statements of financial position.

u) Equity accounted investments

Equity accounted investments are those entities in which the Company has significant influence, but does not have control over the financial and operating policies of the investees. Significant influence is presumed to exist when the Company holds between 20 and 50 percent of the voting power of another entity. Joint arrangement entities are those over which the Company has joint control, established by contractual agreement and requiring unanimous consent for strategic, financial and operating decisions. Joint ventures are joint arrangements whereby the parties have joint control of the arrangement and have rights to the net assets of the arrangement.

Investments in associates and joint ventures are accounted for by the equity method, whereby the original cost of the investment is adjusted for the Company's share of earnings or losses less dividends since significant influence was acquired. When net accumulated losses from an equity accounted investment exceed its carrying amount, the investment balance is reduced to \$nil, and additional losses are not provided for unless the Company is committed to providing other financial support to the investee. The Company resumes accounting for its portion of income (loss) of the investment when the entity subsequently reports net income and the Company's share of that net income exceeds the share of net losses not recognized during the period the equity method was suspended.

Profits or losses resulting from transactions between the Company and its associates are eliminated to the extent of the interest in the associate. The Company determines at each reporting date whether there is objective evidence that the investments in associates are impaired. The financial statements of associates are prepared for the same reporting period as the Company. Where necessary, adjustments are made to bring the accounting policies of associates in line with those of the Company.

The Company accounted for the following entity using the equity method up until January 2020, after which time the Company lost significant influence. Effective January 2020, the Company accounts for the shares in BWA Group PLC at FVTPL.

	Ownership	Jurisdiction
	Interest	
BWA Group PLC ("BWA")	0.59 %	United Kingdom

St-Georges Eco-Mining Corp.

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4. Critical Accounting Judgments and Estimates

The Company makes estimates and assumptions about the future that affect the reported amounts of assets and liabilities. Estimates and judgments are continually evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. In the future, actual experience may differ from these estimates and assumptions.

The effect of a change in an accounting estimate is recognized prospectively by including it in comprehensive loss in the year of the change, if the change affects that year only, or in the year of the change and future years, if the change affects both.

Information about critical judgments in applying accounting policies that have the most significant risk of causing material adjustment to the carrying amounts of assets and liabilities recognized in the consolidated financial statements within the next financial year is discussed below:

a) Judgments

i) Exploration and Evaluation Expenditures

The application of the Company's accounting policy for exploration and evaluation expenditure requires judgment in determining whether it is likely that future economic benefits will flow to the Company, which may be based on assumptions about future events or circumstances. Estimates and assumptions made may change if new information becomes available. If, after expenditure is capitalized, information becomes available suggesting that the recovery of expenditure is unlikely, the amount capitalized is written off in the profit or loss in the year the new information becomes available.

ii) Going Concern

Management has made an assessment of the Company's ability to continue as a going concern and is satisfied that the Company has the resources to continue in business for the foreseeable future. The factors considered by management are disclosed in Note 1.

iii) Income Taxes

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 for anticipated tax audit issues 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 including the related interest and penalties 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 that it is probable that taxable profit will be available against which a deductible temporary difference can be utilized. This is deemed to be the case when there are sufficient taxable temporary differences relating to the same taxation authority and the same taxable entity, which are expected to reverse in the same year as the expected reversal of the deductible temporary difference, or in years into which a tax loss arising from the deferred tax asset can be carried back or forward. 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.

St-Georges Eco-Mining Corp.

Notes to the Condensed Consolidated Interim Financial Statements

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4. Critical Accounting Judgments and Estimates (continued)

b) Estimates

i) Title to Mineral Properties

Although the Company has taken steps to verify title to mineral properties in which it has an interest, these procedures do not guarantee the Company's title. Such properties may be subject to prior agreements or transfers, and title may be affected by undetected defects.

ii) Digital assets – valuation and impairment

Judgment and estimation are involved with respect to the assessment of whether digital currencies that are not traded in regulated active markets are impaired. Management uses all possible evidence in determining if the digital currencies are impaired. Judgment is also required in determining if a digital currency is traded in an active market.

iii) Share-based Payment Transactions

The Company measures the cost of equity-settled transactions with employees 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 stock option, volatility and dividend yield and making assumptions about them.

iv) Provisions and Contingencies

The amount recognized as provision, including legal, contractual, constructive and other exposures or obligations, is the best estimate of the consideration required to settle the related liability, including any related interest charges, taking into account the risks and uncertainties surrounding the obligation. In addition, contingencies will only be resolved when one or more future events occur or fail to occur. Therefore, the assessment of contingencies inherently involves the exercise of significant judgment and estimates of the outcome of future events. The Company assesses its liabilities and contingencies based upon the best information available, relevant tax laws and other appropriate requirements.

v) Impairment of exploration and evaluation assets

Exploration and evaluation assets are assessed for an impairment when facts and circumstances suggest that their carrying amount may exceed the recoverable amount. When facts and circumstances suggest that the carrying amount exceeds the recoverable amount, the Company shall measure, present, and disclose any resulting impairment loss. Indications of impairment, as well as the evaluation of recoverable amount of exploration and evaluation assets, require significant judgment. Management considers various factors including, but are not limited to, financial and human resources available, exploration budgets planned, importance and results of exploration work done previously, industry and economic trends and price of minerals.

vi) Valuation of tax credits related to resources and mining tax credits

Tax credit related to resources and mining tax credit for the current and prior periods are measured at the amount expected to be recovered from the taxation authorities using the tax rates and tax laws that have been enacted or substantively enacted at the statement of financial position date. Uncertainties exist with respect to the interpretation of tax regulations for which certain expenditures could be disallowed by the taxation authorities in the calculation of credits, and the amount and timing of their collection.

St-Georges Eco-Mining Corp.

Notes to the Condensed Consolidated Interim Financial Statements

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4. Critical Accounting Judgments and Estimates (continued)

b) Estimates (continued)

The calculation of the Company's credits necessarily involves a degree of estimation and judgment in respect of certain items whose tax treatment cannot be finally determined until notice of assessments and payments have been received from the relevant taxation authority. Difference arising between the actual results following final resolution of some of these items and the assumptions made could necessitate adjustments to tax credit related to resources and to mining tax credit, exploration and evaluation assets and income tax expense in future periods.

The amounts recognized in the consolidated financial statements are derived from the Company's best estimation and management's judgment as described above. However, the inherent uncertainty regarding the outcome of these items means that the eventual resolution could differ from the accounting estimates and therefore have an impact on the Company's financial position and its cash flows.

5. Intangible assets

Intangible assets consist of digital currencies. Digital currencies are typically part of a decentralized system of recording transactions and issuance of new units and rely on cryptography to secure its transactions, to control the creation of additional units, and to verify the transfer of assets. With the acquisition of ZeUPay AS by ZeU, the Company acquired \$13,309,142 of intangible assets. However, as at the fifteen months ended March 31, 2022, the Company determined the assets were impaired and wrote them down to the \$446,400 of intangible assets, which consisted of only the software and customer lists acquired with indefinite lives.

During the year ended March 31, 2023, the Company impaired the balance of \$446,400 of intangible assets as the Company discontinued operations in the area (Note 7).

Kamari Tokens

In November 2019, the Company received 24,000,000 Kamari tokens in consideration for the issuance of \$7,834,000 in convertible debentures. On the date of issuance, the Kamari tokens' fair value was determined to be \$24,268,723.

The Kamari tokens are currently not trading on any exchange and, accordingly, there is no objective evidence to determine their fair value at December 31, 2020, or March 31 and September 30, 2023. Accordingly, the Company impaired their value to \$nil and recorded an impairment of \$6,881,396 in the statement of loss and comprehensive loss as at December 31, 2020.

The continuity of Kamari tokens is as follows:

	Number of Kamari tokens	Kamari tokens \$
Balance December 31, 2020	24,000,000	-
Settlement of \$1,161,834 of Kamari convertible debentures on March 31, 2021	(3,366,564)	-
Settlement of \$3,815,806 of Kamari convertible debentures on March 21, 2022	(15,338,551)	-
Balance March 31, 2022 and 2023	5,294,885	-
Balance September 30, 2023	5,294,885	-

St-Georges Eco-Mining Corp.

Notes to the Condensed Consolidated Interim Financial Statements

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5. Intangible assets (continued)

As at September 30, 2023, the Company held 5,294,885 (March 31, 2023 - 5,294,885) Kamari tokens. The 24,000,000 Kamari tokens received in consideration for the convertible debenture with a face value of \$7,834,000 are subject to the following voluntary transfer restrictions without the prior written consent of Kamari: (i) in any one-month period, the transfer, directly or indirectly, is limited to 1/30th of the total number of Kamari tokens forming the consideration; and (ii) on any given day, any sale on an exchange is limited to 5% of the total volume of Kamari tokens traded. As of September 30, 2023, 5,294,885 (March 31, 2023 - 5,294,885) Kamari tokens were available for disposal or transfer.

As the Company has a contractual right to repay the debenture and accrued interest using Kamari tokens on a mark to market basis. On March 31, 2021, the Company repaid \$500,000 of the Kamari convertible debenture plus \$661,834 of accrued interest by transferring 3,366,564 Kamari tokens to the debenture holder. The Company recorded a gain of \$1,099,818 on the debt settlement in the statement of loss and comprehensive loss as at March 31, 2021.

On March 21, 2022, the Company repaid the remaining Kamari convertible debenture of \$3,417,000 plus \$398,806 of accrued interest by transferring 15,338,551 Kamari tokens to the debenture holder. The Company recorded a gain of \$3,391,988 on the debt settlement in the statement of loss and comprehensive loss as at March 31, 2022.

6. Exploration and Evaluation Assets

	Julie Project	Le Royal Project	Manicouagan Project	Villebon Project	Notre Dame Project	Iceland Projects	Total
	\$	\$	\$	\$	\$	\$	\$
March 31, 2022	3,478,897	239,504	8,134,609	1,610	104,953	3,696,009	15,655,582
Acquisition costs	-	-	8,640	8,594	-	-	17,234
Claims renewals	206	344	12,000	146	-	-	12,696
Exploration costs	14,564	-	3,761,326	-	183,306	260,924	4,220,120
	14,770	344	3,781,966	8,740	183,306	260,924	4,250,050
Impairment	-	(234,848)	-	-	-	(5,582)	(240,430)
March 31, 2023	3,493,667	5,000	11,916,575	10,350	288,259	3,951,351	19,665,202
Claims renewals	-	-	41	-	-	-	41
Exploration costs	6,777	-	615,861	-	-	111,927	734,565
	6,777	-	615,902	-	-	111,927	734,606
September 30, 2023	3,500,444	5,000	12,532,477	10,350	288,259	4,063,278	20,399,808

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6. Exploration and Evaluation Assets (continued)

The exploration and evaluation assets are described in more detail below.

Julie Project

The Julie Project is located via a 90-minute drive from the deep seaport city of Baie-Comeau on the Quebec North Shore. The Project comprises 294 claims for an area of 16,226.99 hectares (162.27 km²). It is contained on NTS sheets 22K03, 22F13 and 22F14. The Project is prospective for nickel, copper, cobalt, palladium, platinum, silver, and magnesium.

In 2021, the Company acquired 212 additional mining claims through electronic map staking. It also entered into a purchase agreement for 28 mineral claims adjacent to the Julie Project pursuant to which the Company issued 100,000 common shares at a fair value of \$27,000 (Note 13), a cash payment of \$50,000 and a 1.5% NSR to the vendor.

Villebon Property

The Villebon Property is located within the Abitibi Greenstone Belt of northwestern Quebec. The property is comprised of 84 mining claims.

In a prior year, the Company concluded there were indications that certain of the remaining claims comprising the asset were impaired and, as a result, the Company recorded an impairment charge to write off the property in 2019.

Le Royal Property

The project, comprised of 5 mining claims for an area of 286.02 hectares, is located in the lithium mining camp of LaCorne, in the Abitibi region of Quebec. The acquisition was done jointly with Lepidico Ltd. (ASX: LPD) (formerly known as Platypus Minerals Ltd.) ("Lepidco"). St-Georges currently owns 90% of the project, and Lepidico owns 10%.

During the year ended March 31, 2023, the Company determined the Le Royal Property is not economically viable for the time being and impaired \$234,848 on the property.

Manicouagan Project

On January 27, 2020, the Company entered into an agreement to acquire 100% of the Manicouagan project, comprised of 77 mining claims and located on the Quebec North Shore. This project was co-owned by Exploration J. F. Inc and Frank Dumas (then a director of the Company).

On February 6, 2020, pursuant to the agreement, the Company issued 5 million shares (Note 13) at \$0.07 per share. The 2,000,000 shares issued to Exploration JF Inc. were subject to a 2-year escrow period with timed release. All 3,000,000 shares issued to Frank Dumas are subject to escrow for 60 months from issuance; \$50,000 was paid in two installments to Exploration JF Inc., \$25,000 at signing and \$25,000 at the anniversary date of the agreement; and a 2% NSR was granted to the vendors as well as a zone of influence covering the 2 NTS sheets where the project is located.

In 2020, the Company added 36 new mining claims to the project through electronic map staking.

On August 13, 2020, the Company entered into an agreement to acquire two mining claims from two arms-length vendors, which are strategically located within the boundaries of the Manicouagan project of the Company.

St-Georges Eco-Mining Corp.

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6. Exploration and Evaluation Assets (continued)

The terms of the acquisition are:

- (1) Issue 600,000 common shares of the Company and a payment of \$10,000 within 30 days of the approval of the transaction;(completed)
- (2) A payment of \$10,000 at the 6-month anniversary of the first payment; (invested into units of the Company at a price of \$0.10 per unit in a private placement which closed on November 25, 2020) and
- (3) A payment of an additional of \$25,000 that has to be subscribed in the next financing of the Company, and allow an estimated 250,000 shares and 250,000 warrants at the price established by the Company in its offering; (invested into units of the Company at a price of \$0.10 per unit in a private placement which closed on November 25, 2020) and
- (4) The agreement also calls for the signing of an NSR agreement within 30 days following the acquisition. The NSR covering these claims will be set at 1.5%, of which 1% can be bought back for \$2,225,000 at any time at the Company's discretion. The NSR agreement will have to include an option in favor of the buyer to buy back 0.5% of this royalty for \$750,000 and a subsequent 0.5% of the remaining NSR royalty for \$1,500,000.

The two mineral claims were transferred from the vendors to the Company within 10 days of completion of (1), (2) and (3).

The fair value of the 5,600,000 shares issued was \$132,922, which was based on the fair value of the shares on the date of issuance less a discount for the escrow period. In addition, the Company issued 350,000 shares with a fair value of \$35,000 on November 25, 2020, and paid cash consideration of \$60,000.

In 2021, the Company added 37 new claims to the project through electronic map staking.

On November 17, 2021, the Company entered into an agreement to acquire the production royalty from one of the two royalty holders. On November 22, 2021, pursuant to the agreement, the Company issued 1,000,000 common shares with a deemed value of \$500,000 to Exploration J. F. Inc.

In 2022, the Company added 234 new claims to the Project through electronic map staking.

In February 2023, 2 claims were transferred from a holder, at no cost to the Company, the project now comprises of 388 claims.

Notre-Dame Project

The Notre-Dame Project is located near the municipality of Notre-Dame de Lorette on the northern flank of the Lac St-Jean in Québec. 35 mining claims were acquired through electronic map staking on Dec 20, 2021, and 81 mining claims were transferred from three vendors in exchange for a royalty.

St-Georges Eco-Mining Corp.

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6. Exploration and Evaluation Assets (continued)

Lithium Extraction Technology

On December 7, 2017, the Company and Iconic Minerals Ltd (TSX-V: ICM) (“Iconic”) entered into a definitive exclusive technology licensing agreement for all sites to be operated by Iconic and/or its affiliates in the state of Nevada. In return for a perpetual license for the SX Technologies (the Company’s proprietary lithium extraction suite of technologies), and its future improvements, Iconic will provide the following to the Company:

- Invest by way of private placement CAD \$100,000 in the Company’s equity within 6 months or the next private placement offering (Iconic executed its options to invest \$100,000 into the share capital of the Company in the private placement closed on January 14, 2019);
- Issue in total 5 million common shares (“Shares”) of Iconic to be released in stages, based on benchmarks reached. The shares will be issued according to the performance schedule outlining the stages of each development phase below:
 - a) 2,000,000 shares at Stage 1 Benchmark completion: which is defined by the delivery of an independent laboratory report by the Company (received on August 29, 2019) (Note 9);
 - b) 1,500,000 shares at Stage 2 Benchmark completion: which is defined by independent report describing results of initial pilot mining operations and the processing of a minimum of one (1) metric ton in a simulated industrial environment; and
 - c) 1,500,000 shares at Stage 3 Benchmark completion: which is defined by the reception of a Preliminary Economical Assessment Report (PEA) or at commercialization decision or the third (3rd) year anniversary mark of this agreement assuming other issuance have all been done.

The shares St-Georges earns in each stage will be escrowed for the duration of 36 months.

- A perpetual Net Revenue Interest Royalty (NRI) of 5% will be granted on all minerals produced on sites licensed with SX Technologies.

On July 24, 2019, the Company completed the Independent Review of Stage 1, and the report was delivered to Iconic. On August 29, 2019, Iconic issued 2,000,000 common shares to the Company (Note 9) with a fair value of \$118,293 upon completion of the Stage 1 benchmark.

On August 18, 2023, the Company received 816,515 shares of Nevada Lithium Resources Inc. (“Nevada Lithium”) at a fair value of \$244,955 pursuant to the completion of a plan of arrangement between Nevada Lithium and Iconic and as a shareholder of Iconic (Note 9). The Company recorded a gain of \$244,955 on investments in the statement of loss and comprehensive loss as at September 30, 2023.

Lithium Hydroxide

In October 2022, the Company received confirmation that the manufacturing of the industrial electrolysis unit built to the Company specifications had been completed.

In November 2022, the hydrolysis equipment for a lithium hydroxide pilot production at a cost of \$62,036 was received, and is now stored adjacent to the operation location in Thorold, Ontario.

St-Georges Eco-Mining Corp.

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6. Exploration and Evaluation Assets (continued)

Iceland Resources EHF

On November 16, 2016, the Company entered into a Binding Term Sheet with Iceland Resources EHF, an exploration company incorporated under the laws of the Republic of Iceland. On February 28, 2017, the Company and Iceland Resources executed a Purchase of Business Agreement (the "Purchase Agreement"), whereby the Company acquired all of the issued and outstanding shares of Iceland Resources for total consideration of \$850,000.

On October 6, 2018, the Company entered into a share purchase agreement ("SPA") with the minority shareholders of Iceland Resources to acquire the remaining 40% interest in Iceland Resources, such that Iceland Resources is now a wholly owned subsidiary of the Company.

On October 11, 2018, Iceland Resources executed a share purchase and subscription agreement with Spá EHF and Íslensk Vatnsorka EHF to allow Iceland Resources to acquire a 15% interest in Íslensk Vatnsorka EHF, a private company with its main project being Hagavatnsvirkjun, a 10-20 MW hydropower plant located just south of Langjökull in Iceland.

On June 29, 2020, the Company signed a binding letter of intent to acquire all of the issued and outstanding shares of Melmi ehf ("Melmi"), which owns a 100% interest in the Thor Gold Property. The Company only had a 41% farm-in option. Under the terms of the binding letter of intent, the Company will pay up to \$775,000 in consideration of the Melmi shares as follows:

- Pay \$65,000 upon the execution of the definitive share purchase agreement ("Definitive Agreement") (paid);
- Pay an additional \$60,000 on the earlier of: (a) 90 days after execution of the Definitive Agreement; and (b) the start of drilling on the Thor Property (paid);
- Issue \$400,000 of non-transferable debentures of the Company bearing a 6% annual interest, maturing 3 years from issuance, of which \$100,000 will be convertible into common shares of the Company at a deemed price of \$0.10 per share, \$150,000 at a deemed price of \$0.15 per share, and \$150,000 at a deemed price of \$0.20 per share (Note 12);
- As additional consideration, subject to and upon all the licenses applications having been granted, issue \$250,000 non-transferable debentures of the Company bearing a 6% annual interest, maturing 3 years from issuance, and convertible into shares of the Company at a deemed price of \$0.20 per share. (This requirement has not yet been fulfilled.)

The fair value of the cash and the convertible debentures was determined to be \$519,573 and was based on a discount rate of 19% and a Black Scholes Pricing Model for the conversion feature.

St-Georges Metallurgy Corp.

On February 27, 2020, the Company incorporated a new subsidiary, St-Georges Metallurgy Corp. ("St-Georges Metallurgy"). This entity is owned 100% by the Company.

On July 9, 2020, St-Georges Metallurgy entered a pilot-plant service agreement with Carrefour innovation sur les matériaux de la MRC des Sources ("CIMMS"), a Quebec-based, publicly funded laboratory. The agreement allowed St-Georges Metallurgy access to a lithium metallurgical processing pilot plant.

Altair International Ltd.: On December 1, 2020, the Company signed a Binding Letter of Intent with Altair International Corp. ("Altair") (US-OTC: ATA0), pursuant to which the Company has agreed to provide access to its patent-pending lithium processing technology for lithium-in-clay mineral deposits, and also agreed to jointly develop a patentable electric vehicle battery recycling industrial process.

St-Georges Eco-Mining Corp.

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6. Exploration and Evaluation Assets (continued)

In return for the access to the lithium processing technology and as part of their contribution in the development of patentable intellectual property related to EV Battery Recycling, Altair will issue a total of 6,000,000 common shares in 3 tranches as milestones mutually agreed upon are met. Altair will also make a total of US\$300,000 cash payment to the Company. Both companies will contribute equally to the battery recycling research & development effort and to the design and construction of a battery recycling industrial pilot-plant circuit in the Company contracted installations in Quebec.

On February 12, 2021, the Company and St-Georges Metallurgy, and Altair entered into a License and Royalty Agreement for Altair to license St-Georges Metallurgy's patent-pending extraction methods and technology in separation, recovery, and purification of lithium and to act as an agent of the Company's developing technology in battery recycling.

Pursuant to the License and Royalty Agreement, St-Georges Metallurgy will grant Altair a non-exclusive license to use the lithium extraction technology for any of Altair's lithium-bearing prospects in the United States. In exchange for the license, Altair has agreed to grant the Company a 5% net revenue royalty on all metals and minerals extracted and processed using any of the Company's methods or technologies.

During the fifteen months ended March 31, 2022, the Company received 2,000,000 shares of Altair at a fair value of \$557,920 (Note 9).

EVSX Corp.

On January 20, 2021, the Company incorporated a new subsidiary, EVSX Corp. ("EVSX"). This entity is owned 100% by the Company.

On March 12, 2021, the Company executed a definitive agreement with its new partner ID Manic. The agreement defines the mutual obligations and contributions of the partners related to the battery recycling feasibility study with a total estimated and projected allocation of \$600,000, of which \$300,000 is expected to be contributed from the Company's funds on hand.

On July 26, 2021, the Company received a grant from the Natural Sciences and Engineering Research Council of Canada ("NSERC") to initiate a partnership between St-Georges academic institutions within a new initiative called "A circular economy initiative to develop a Quebec-based production of fertilizer from the recycled products of lithium-ion batteries".

Baie-Comeau Acquisitions: In April 2022, the Company made an offer to acquire three contiguous lots in Baie-Comeau totaling approximately 5,000 square meters for \$400,000. EVSX paid \$100,001 deposit in May 2022, and the balance of \$300,000 will be paid within 730 days.

In June 2022, EVSX acquired a building in Baie-Comeau to host its phase I development. EVSX closed the acquisition with \$258,694 in cash and started generating revenues in July 2022 from the commercial rent in the building.

During the period ended September 30, 2023, the Company recorded rental income of \$24,007 (2022 - \$12,002) from the commercial rental in the building.

St-Georges Eco-Mining Corp.

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6. Exploration and Evaluation Assets (continued)

Battery-processing industrial units: In July 2022, EVSX commissioned and disbursed the payments of \$1,099,789 (March 31, 2023 - \$322,295) for manufacturing three battery-processing industrial units for the total cost of \$1,323,694, which is recorded as other assets during the period ended September 30, 2023.

Arabat S.R.L.: In September 2022, EVSX signed a binding Memorandum of Understanding with AraBat S.R.L., a battery recycling technology company in Italy. It gives the partners four months to complete a detailed partnership agreement, wherein EVSX will initiate the planification to deploy its front-end solution to manufacture critical metals black mass from the used batteries sourced by Arabat in Italy and adjacent European countries.

In January and June 2023, the parties mutually agreed to extend their agreement to the end of the month of December 2023 (Note 21).

Thorold Battery Recycling Plant: In December 2022, EVSX entered into a lease agreement for the location for its Ontario battery recycling and battery mineral processing operations within the Bioveld Complex under the umbrella of the Thorold Multimodal Hub and the Hopa Port Authority in Niagara, Ontario (Note 20).

In December 2022, the Company and Call2Recycle Canada Inc. entered into a Memorandum of Understanding to sort and process battery volume with EVSX at the Bioveld Complex.

During the period ended September 30, 2023, the Company capitalized \$152,866 (2022 - \$201,617) research fees related to the development of the battery recycling process. The work consisted in engineering conception and adaptation of industrial equipment and processes, configuration and optimization of method, chemical and physical testing in pilot-plants and proof of concept reviewed by independent third party.

H2SX Corp.

On January 14, 2022, H2SX Corp. ("H2SX") was incorporated as a wholly-owned subsidiary of the Company.

On April 25, 2022, H2SX executed a final agreement with the South Korean company Wintech Energy Corp. ("Wintech Energy"). The agreement allows H2SX to access Wintech Energy's green hydrogen technology. Through this agreement, Wintech Energy becomes a shareholder of H2SX.

H2SX is acquiring a global non-exclusive license as well as an exclusive license for the territories of Iceland, the State of Nevada in the United States of America, and the Provinces of Quebec and Ontario in Canada. The exclusive license also covers all-natural resource-based operations in Canada. Additional intellectual property developed by the partners will be co-owned, half by H2SX and half by the licensors.

H2SX will issue a total of 990,000 common shares representing 9.9% of its common shares, in favor of Wintech (4.95%) and ZeeOne (4.95%). The parties will also receive preferred shares with a conversion rate potentially representing 10% of the outstanding shares of H2SX. No cash will be disbursed. A series of 5-year Special Milestone Warrants exercisable at \$1.00 will also be issued based on the milestones.

As of September 30, 2023, no shares have been issued (note 21).

St-Georges Eco-Mining Corp.

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6. Exploration and Evaluation Assets (continued)

On February 14, 2023, H2SX and Altima Resources Ltd. (“Altima”) entered into an agreement via a binding term sheet to move forward with the production of cheap and clean hydrogen (ccH₂TM) in Canada. H2SX will partner and work on an exclusive basis with Altima in British Columbia and Alberta in the natural gas domain and for projects and companies that have traditional natural gas production of 65 MMcf/d or less. In accordance with the provisions of the Terms Altima will issue 6,000,000 common shares to H2SX upon the completion of milestones as set out in the performance shares schedule as follow:

- 2,000,000 shares to be issued upon delivery of a preliminary technological engineering report.
- 2,000,000 shares to be issued upon receipt of a detailed engineering report tailored to Altima’s initial project.
- 2,000,000 shares upon the delivery of a Preliminary Economical Assessment or a Prefeasibility Study.

In addition to the issuance of performance shares, Altima has committed to the construction of a hydrogen processing facility utilizing the patented technology.

As of September 30, 2023, no shares have been issued.

Kings of the North Corp

During the year ended December 31, 2017, the Company established a wholly-owned subsidiary, KOTN, to facilitate mining transactions in Canada.

Sale of Kings of the North Corp.

On May 29, 2019, the Company and the minority shareholders of KOTN entered into a share purchase agreement with BWA, pursuant to which BWA acquired of all the issued and outstanding shares of KOTN for an aggregate consideration of \$7,500,000 or approximately £4,400,000 unsecured, convertible interest-free loan notes (“Notes”) with an initial repayment date three years after issued at a minimum price of £0.005 per share at the time of conversion.

On September 30, 2019, BWA’s shareholders voted to approve the acquisition of KOTN. The Company received £2,451,409 (CAD\$4,183,000) of convertible loan notes with a fair value of \$2,698,575 on the completion of the sale (Note 10) and recognized a gain on the disposal of \$1,445,974.

In December 2020, the Company terminated the letter agreement with BWA to reacquire 100% of KOTN. The Company commenced legal action to seek full reimbursement and compensation of its expenses related to the agreement and outstanding debts of BWA and KOTN, as well as to review potential actions on behalf of its shareholders and as a shareholder and debtholder of BWA (Note 10).

St-Georges Eco-Mining Corp.

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7. Distributed, decentralized, peer-to-peer technologies and commitments

Kamari Limited

On November 5, 2019, ZeU executed a joint venture agreement with Kamari Limited ("Kamari") of Malta for the joint development and deployment of lotteries and gaming offerings in Africa ("JV Co.").

As at September 30, 2023, the JV Co. remains inactive and did not incur any expenses or make any payments.

Prego International Group AS

On February 8, 2021, ZeU executed a definitive agreement to acquire all of the issued and outstanding shares of Prego International Group AS ("Prego"), through ZeUPay Inc. ("ZeUPay") for a total consideration of \$8,125,000.

The primary reason for acquiring Prego was to acquire the custodial and legacy banking support for the Mula Platform as well as ZeU's other DeFi and Gaming initiatives. ZeUPay offers default legacy KYC and AML coverage for a suite of initiatives.

The Goodwill acquired was the excess of the fair value purchase price over the net assets of Prego, of which significant amounts had been expensed in prior years and not capitalized.

On March 2, 2021, ZeU completed the acquisition of Prego through its subsidiary ZeUPay. Prego changed its name to ZeUPay AS when the transaction was completed.

Consideration paid	CAD \$
Convertible Debenture	7,500,000
Shares and Warrants issuance fair value	4,959,314
Total consideration	12,459,314

Net assets acquired	CAD \$
Cash	1
Intercompany receivables	13,662
Intangible assets	446,400
Goodwill	13,320,813
Accounts Payable	(1,309,891)
	12,459,314

The acquired Goodwill consists of the proprietary software, customer lists and previously acquired goodwill. At March 31, 2022, ZeU determined that the Goodwill was impaired as the costs to build and operate the platform of ZeUPay as planned have increased up to 20 times the original estimates. As a result, ZeU determined it was impaired and took a total write down of \$13,320,813.

ZeUPay AS put together a platform for micro-payments and remittance services based in Norway. Over the last year, the policies and fees structure of the clearing banks made the business model impossible to carry forward due to excessive new cost.

The operation was halted in August 2022, and the Company's attempts to replace the original setup failed. The operations of ZeUPay AS were completely stopped on September 30, 2022.

St-Georges Eco-Mining Corp.

Notes to the Condensed Consolidated Interim Financial Statements

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7. Distributed, decentralized, peer-to-peer technologies and commitments (continued)

During the year ended March 31, 2023, ZeU settled the following items:

- \$1,514,910 accounts payable and loans of ZeUPay AS;
- A \$7,500,000 convertible debenture issued for the purchase agreement plus accrued interest of \$935,753 (Note 12); and
- \$35,000 accrued director fees.

These were settled with a promissory note of \$175,000 and 4,130,000 shares of ZeU valued at \$227,150. The Company recorded a gain of \$7,966,523 on the debt settlement. The Company recorded an obligation to issue shares of \$227,150 for the debt settlement, and those shares were issued after the year ended March 31, 2023.

MoneyLine Sports Inc.

On May 4, 2021, ZeU entered into a letter of intent with MoneyLine Sports Inc (“MoneyLine”), a licensed platform and provider of streaming sports content, to acquire all of their outstanding securities.

On August 11, 2021, ZeU executed the definitive agreement to acquire all of the issued and outstanding shares of MoneyLine through ZeU Gaming Inc. (“ZeU Gaming”), a wholly-owned subsidiary of ZeU for a total consideration of \$1,501,500.

On August 20, 2021, ZeU provided a principal sum of \$25,000 to MoneyLine without interest payable on the unpaid principal.

On September 24, 2021, ZeU did not complete the due diligence required to finalize the transaction and received notice from MoneyLine of their intent to withdraw from the proposed transaction. The share purchase agreement with MoneyLine was undone. No securities were issued.

On November 25, 2022, ZeU sent a Written Notice of Demand to MoneyLine requesting repayment of the \$25,000 Promissory Note by December 26, 2022.

During the year ended March 31, 2023, the Company fully impaired the \$25,000 promissory note receivable.

Borealis Derivatives DEX ehf.

ZeU developed Derivative Marketplace with its marketplace platform for Borealis Derivatives DEX ehf (“Borealis”), which is a Decentralized, Distributed, Digital Derivative marketplace. The pseudo-coding phase of the Marketplace’s platform has been initiated with the initial effort focused on the asset-spent back-stopped token.

8. Research and development expenses

During the period ended September 30, 2023, the Company incurred expenditures of \$6,877 (2022 - \$nil) related to the mineral recovery patent application.

During the period ended September 30, 2023, ZeU incurred research expenditures of \$5,415 (2022 - \$312,938) related to the development of its distributed and decentralized encrypted communication platform. The work consisted in redefining and developing patents in peer-to-peer communication, allowing optimization via machine learning of encryption, network data transport and protocols.

During the period ended September 30, 2023, St-Georges Metallurgy incurred \$21,869 (2022 - \$56,994) related to the development of mineral extraction processes with a focus on greener and more economical approaches. SXM is also improving its in-solution lithium hydroxide crystal growth, recirculation of acid and the development in-parallel of a new technology allowing for the production of aluminium nitrates.

St-Georges Eco-Mining Corp.
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8. Research and development expenses (continued)

During the period ended September 30, 2023, H2SX incurred \$10,363 (2022 - \$75,000) related to the development of innovative cheap and clean hydrogen production solutions. The work consisted in an independent review of the licensed process, new fundamental research for the development of new carbon products and the conception of the industrial plant.

Since the technological and commercial stage has not yet been reached, all these expenditures were expensed in the consolidated statement of loss and comprehensive loss. Future expenditures on the technology may meet the guidelines and could be capitalized at that time.

9. Marketable Securities and Equity Investments

Marketable securities consist of shares of publicly traded companies. Marketable securities are reported at their fair market value. The Company has the following investments at fair value as of September 30, 2023 and March 31, 2023:

	September 30, 2023		March 31, 2023	
	Number of Shares	Fair value \$	Number of Shares	Fair value \$
Iconic Minerals Ltd. ("Iconic") ⁽¹⁾	2,000,000	60,000	2,000,000	200,000
ThreeD Capital Inc. ⁽²⁾	-	-	300,000	102,000
Altair International Corp. ⁽³⁾	80,000	4,482	80,000	5,525
BWA Group PLC ⁽⁴⁾	3,000,000	-	3,000,000	-
Nevada Lithium Resources Inc. ⁽⁵⁾	569,515	130,989	-	-
		195,471		307,525

(1) On August 29, 2019, Iconic issued 2,000,000 common shares with a fair value of \$118,293 to the Company upon completion of the Stage 1 benchmark. The shares remained in escrow for three years (Note 6). As at September 30, 2023, the fair value of those marketable security was \$60,000.

(2) On November 25, 2020, the Company received 300,000 common shares of ThreeD at a price of \$0.48 per common share and a cash payment of \$6,000 from ThreeD for the acquisition of 1,500,000 units of the Company at a price of \$0.10 per unit, a private placement closed on November 25, 2020.

During the period ended September 30, 2023, the Company sold 300,000 shares of ThreeD for proceeds of \$75,347 (cost of \$144,000), and the Company recorded a loss of \$68,653 upon the sale of shares of ThreeD.

(3) In January 2021, the Company received 2,000,000 shares of Altair International Corp. (USOTC: ATA0) upon signing the Binding Letter of Intent (Note 6).

On March 15, 2023, Altair International Corp. completed a share consolidation on a twenty-five for one basis. After the consolidation, the Company has 80,000 shares of Altair International Corp. As at September 30, 2023, the fair value of the Altair shares was \$4,482.

(4) As of December 31, 2020, the Company remains a significant shareholder of BWA but no longer has the ability to appoint an officer or a director of BWA. As such, the Company no longer has significant influence over BWA; accordingly, the investment is recorded at fair value. As at December 31, 2020, the last significant trading price of the BWA shares was £0.002, and the shares were thinly traded. Management estimated at the time that it would take several years to dispose of the BWA shares based on the current trading volume and accordingly impaired the investment to \$nil. On December 31, 2020, the Company recorded an impairment loss of \$402,451 related to the BWA shares.

On July 25, 2022, the Company sold 57,000,000 shares of BWA, representing the majority of its holding of BWA to G&O Energy Investments Ltd. for \$57,000, which remains receivable.

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9. Marketable Securities and Equity Investments (continued)

(5) On August 18, 2023, the Company received 816,515 shares of Nevada Lithium (Note 6).

During the period ended September 30, 2023, the Company sold 247,000 shares of Nevada Lithium for proceeds of \$58,435 (cost of \$74,100), and the Company recorded a loss of \$15,665 upon the sale of shares of Nevada Lithium.

During the period ended September 30, 2023, the Company recorded a loss of \$84,318 (2022 - \$nil) upon the sale of certain shares and an unrealized loss of \$138,909 (2022 - \$73,863 gain) on the marketable securities held.

10. Convertible debenture investment

On September 30, 2019, the Company received £2,451,409 of convertible debenture with a fair value of \$2,698,575 upon the completion of the sale of KOTN to BWA (Note 6). The BWA convertible debenture is unsecured, interest-free with an initial repayment date of 3 years from its issuance, and convertible into shares of BWA at a minimum price of £0.005 per share at the time of conversion or the VWAP of the 10 consecutive trading days preceding conversion. The conversion option is limited to 29% of the voting rights at the conversion date. On October 31, 2019, the Company converted £300,000 of the convertible debenture (Note 9) with a fair value of \$459,443 into 60,000,000 ordinary shares of BWA. As at December 31, 2019, the remaining principal amount of the convertible debenture investment is £2,151,409, and the fair value is \$2,213,564.

Due to a legal dispute that arose in the year ended December 31, 2020, that has not yet been settled, the Company determined that the likelihood of receiving value in a timely manner for the note was in doubt. As a result, the principal amount of the convertible loan receivable from BWA of £2,151,409 with a fair value of \$2,238,797 was impaired in that year. Should the dispute be resolved at a future date, any proceeds received will be recorded in that period.

On July 29, 2022, the Company sent a conversion notice to BWA to convert part of its convertible debentures into 116,412,500 ordinary shares of BWA. BWA declined the conversion. The Company's solicitors in the UK sent BWA a demand letter in response to their refusal to honor their obligation.

On November 28, 2022, the Company initiated legal proceedings against BWA in front of the High Court of Justice, Business and Property Court of England & Wales. In March 2023, the Company met BWA's representatives to investigate possible settlement scenarios. A scenario was proposed but as of the date of this report, no settlement has been reached.

11. Accounts payable and accrued liabilities

	<u>September 30, 2023</u>	<u>March 31, 2023</u>
	\$	\$
Accounts payable (Note 17)	3,976,954	4,225,156
Accrued liabilities (Note 17)	289,498	467,458
	<u>4,266,452</u>	<u>4,692,614</u>

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12. Convertible Debentures

The convertible debentures continuity schedule as at March 31, 2023 and 2022 is as follows:

	Convertible Debenture at Fair Value	Debt due on Demand at Amortized Cost	Total
	\$	\$	\$
Balance at March 31, 2022	5,628,913	4,382,144	10,011,057
Issued	-	175,000	175,000
Accretion expense and interest	1,294,001	280,128	1,574,129
Settlement	(6,902,357)	(465,479)	(7,367,836)
Foreign exchange	(8,599)	(47,880)	(56,479)
Balance at March 31, 2023	11,958	4,323,913	4,335,871
Current-term	(11,958)	(4,323,913)	(4,335,871)
Long-term	-	-	-

The convertible debentures continuity schedule as at September 30, 2023 and March 31, 2023 is as follows:

	Convertible Debenture at Fair Value	Debt due on Demand at Amortized Cost	Total
	\$	\$	\$
Balance at March 31, 2023	11,958	4,323,913	4,335,871
Accretion expense and interest	541	140,447	140,988
Payments	-	(20,000)	(20,000)
Balance at September 30, 2023	12,499	4,444,360	4,456,859
Current-term	(12,499)	(4,444,360)	(4,456,859)
Long-term	-	-	-

a) Convertible Debentures issued in 2018

On July 5, 2020, the convertible debentures, with a face value of \$3,157,524, which were issued in 2018, matured. A portion of these convertible debentures, with a face value of \$2,801,274, were not renewed and are now due on demand and are presented as debt due on demand.

On July 7, 2020, ZeU entered into amending agreements with debenture holders to amend the terms of the remaining 2018 convertible debentures with a face value of \$371,354. The principal balance plus accrued interest totalling \$427,695 was converted into the 2020 convertible debentures on the terms described below.

As at September 30, 2023, the carrying value, including principal and interest of the debt due on demand was \$4,289,360 (March 31, 2023 - \$4,148,913), and interest expense recognized during the period was \$140,447 (2022 - \$140,447).

b) Convertible Debentures issued in 2020

On July 7, 2020, ZeU entered into amending agreements with certain of the 2018 debenture holders to amend the terms of convertible debentures with a face value plus accrued interest of \$427,695, which matured on July 5, 2020.

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12. Convertible Debentures (continued)

b) Convertible Debentures issued in 2020 (continued)

Under the terms of the amended debentures (“Amended Debentures”), the maturity date has been extended two years from July 5, 2020 to July 5, 2022, and in exchange:

- 1) The floor conversion price of the principal amount of the Amended Debentures has been reduced from \$1.00 to \$0.25 per share;
- 2) The interest has been raised from 10% to 12%;
- 3) The Amended debentures now rank in priority of all unsecured debts; and
- 4) ZeU issued 1,718,972 warrants with a term of 2 years and an exercise price of \$0.30 per common share purchase for every tranche of \$0.25 of original debenture principal plus accrued interest. The proceeds of the warrants will be used to buy back the debentures if it has not been repaid or converted at the time of the warrants exercise.

The fair value of the new convertible debenture at inception was determined to be \$371,354, and the fair value of the warrants issued for this modification was \$160,724. The fair value of the convertible debenture was determined using at market interest rate of 17%, and the fair value of the warrants issued was estimated using a Black-Scholes Option Pricing Model (Stock price \$0.18, exercise price of \$0.30, volatility 200%, risk free interest rate of 2.40%, discount for lack of marketability of 35% and 0% dividend yield).

As at September 30, 2023, the carrying value, including principal and interest of the 2020 amended convertible debentures was \$12,499 (March 31, 2023 - \$11,958), and interest expense recognized during the period was \$541 (2022 - \$2,720).

c) Convertible Debentures issued in 2021

On March 2, 2021, ZeUPay issued \$7,500,000 convertible debentures for the acquisition of Prego.

The ZeUPay Debentures mature in 4 years from its issuance and bear interest at the rate of 6.00% per annum until the earlier of: (i) their date of conversion or (ii) 48 months from the Closing Date (the “Maturity Date”). The interest on the ZeUPay Debentures may, at the sole discretion of ZeUPay, be paid (i) in cash or (ii) by the issue of the equivalent value in common shares of ZeUPay at a price per share equal to the greater of (a) \$1.00 and (b) the last financing price of ZeUPay.

The principal amount of the ZeUPay Debentures, together with the interest accrued thereon, will automatically convert into common shares of ZeUPay on the earlier of: (i) the Maturity Date and (ii) the occurrence of a liquidity event, at a conversion price equal to the higher of: (a) \$1.00 and (b) the last financing price of ZeUPay.

Holder of the ZeUPay Debentures have a right to convert all of the outstanding principal amount of the ZeUPay Debentures, together with the interest accrued thereon, into common shares of the Company at a price equal to the higher of: (i) \$1.00 and (ii) the 5-day volume-weighted average price of the Common Shares on the CSE, at any time prior to the earlier of: (i) the Maturity Date and (ii) the occurrence of a liquidity event. The fair value of the debt component at inception was determined to be \$4,134,720, based on a risk adjusted interest rate of 17%, and the residual value of \$3,365,280 was recorded in capital surplus.

On March 31, 2023, ZeU settled the \$7,500,000 convertible debenture issued for ZeUPay AS plus accrued interest of \$935,753, \$1,514,910 accounts payable and loans of ZeUPay AS, plus \$35,000 in accrued director fees with a promissory note of \$175,000 and 4,130,000 shares of ZeU valued at \$227,150 (Note 7). The Company recorded a gain of \$7,966,523 on the debt settlement. 4,130,000 shares of ZeU were issued on April 13, 2023.

During the period ended September 30, 2023, the balance of the \$175,000 promissory note issued for the debt settlement was \$155,000 (March 31, 2023 - \$175,000).

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12. Convertible Debentures (continued)

During the period ended September 30, 2023, the Company recognized accretion and interest expenses of \$140,988 (2022 - \$790,306) on all the convertible debentures.

13. Share Capital

a) Common Shares

The Company is authorized to issue an unlimited number of common shares with no par value.

2022

During the fifteen months ended March 31, 2022, the Company issued 3,670,000 common shares for stock options exercised for proceeds of \$396,500 and issued 14,270,300 common shares for warrants exercised for proceeds of \$2,698,810. The Company recorded a write-off of \$435,000 subscription receivable.

On November 1, 2022, the Company closed the first tranche of a non-brokered private placement offering of flow-through units at a price of \$0.25 for total gross proceeds of up to \$1,425,000.

Each flow-through unit is comprised of one common share in the capital of the Company on a flow-through basis and half a flow-through share purchase warrant. Each half flow-through warrant entitles the holder thereof to purchase half a share at an exercise price of \$0.29 per share until November 1, 2025. The Company paid finder fee of \$75,000 in cash and issued 300,000 finders warrants at a fair value of \$40,692 at an exercise price of \$0.29 until November 1, 2025.

On November 18, 2022, the Company closed the second tranche of a non-brokered private placement offering of flow-through units at a price of \$0.25 for total gross proceeds of up to \$1,800,000.

Each flow-through unit is comprised of one common share in the capital of the Company on a flow-through basis and half a flow-through share purchase warrant. Each half flow-through warrant entitles the holder thereof to purchase half a share at an exercise price of \$0.29 per share until November 18, 2025. The Company paid finder fee of \$108,000 in cash and issued 432,000 finders warrants at a fair value of \$60,379 at an exercise price of \$0.29 until November 18, 2025.

On December 30, 2022, the Company closed a non-brokered private placement offering of flow-through units at a price of \$0.41 for total gross proceeds of up to \$2,050,000.

Each flow-through unit is comprised of one common share in the capital of the Company on a flow-through basis and a share purchase warrant. Each warrant entitles the holder thereof to purchase a share at an exercise price of \$0.50 per share until December 30, 2025. The Company paid finder fee of \$123,000 in cash.

2023

During the year ended March 31, 2023, the Company issued 896,733 common shares for warrants exercised for proceeds of \$165,896, of which \$3,895 remains receivable, and issued 503,267 common shares to settle accounts payable of \$93,104.

On **June 26, 2023**, the Company closed a non-brokered private placement offering of flow-through units at a price of \$0.18 for total gross proceeds of up to \$396,000.

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13. Share Capital (continued)

a) Common Shares (continued)

2023 (continued)

Each flow-through unit is comprised of one common share in the capital of the Company on a flow-through basis and a share purchase warrant. Each warrant entitles the holder thereof to purchase a share at an exercise price of \$0.30 per share until June 26, 2026. The Company paid finder fees of \$23,760 in cash and issued 132,000 finders warrants at a fair value of \$10,713 at an exercise price of \$0.30 per share until June 26, 2026.

On **September 14, 2023**, the Company closed the first tranche non-brokered private placement offering of units at a price of \$0.10 for total gross proceeds of \$625,500.

Each unit is comprised of one common share in the capital of the Company and a share purchase warrant. Each warrant entitles the holder thereof to purchase a share at an exercise price of \$0.15 per share until September 14, 2025. The Company paid finder fees of \$3,000 in cash and issued 30,000 finders warrants at a fair value of \$721 at an exercise price of \$0.15 per share until September 14, 2025.

During the period ended **September 30, 2023**, the Company received subscriptions receivable of \$3,895 from prior year warrants exercise. The balance of subscription receivable as at September 30, 2023 is \$18,500 (March 31, 2023 - \$3,895).

b) Preferred shares

The Company is authorized to issue an unlimited number of preferred shares without nominal or par value. The Company has not issued any preferred shares.

c) Share-based payment reserve

The share-based payment reserve account is used to record the accumulated fair value of stock options recognized as share-based payments. The reserve is increased by the fair value of these items on vesting and is reduced by the corresponding amounts when options are exercised (Note 14).

As of September 30, 2023, the Company recorded contributed surplus of \$7,334,702 (March 31, 2023 - \$6,800,748) related to options and \$6,822,609 (March 31, 2023 - \$6,811,175) related to warrants.

d) Warrants

The following is a summary of changes in warrants from March 31, 2022 to September 30, 2023:

	Number of Warrants	Weighted Average Exercise Price
		\$
Balance as at March 31, 2022	35,265,769	0.57
Issued	12,182,000	0.376
Exercised	(1,400,000)	0.185
Expired	(2,810,720)	0.185
Balance as at March 31, 2023	43,237,049	0.55
Issued	8,617,000	0.19
Expired	(530,000)	0.565
Balance as at September 30, 2023	51,324,049	0.66

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13. Share Capital (continued)

d) Warrants (continued)

On November 25, 2022, 2,810,720 warrants expired unexercised.

On June 21, 2023, 530,000 warrants expired unexercised.

On September 2, 2022, the Company extended the expiry dates of certain warrants issued during its private placement financings as follows:

<u>Number of Warrants</u>	<u>Current Expiry Date</u>	<u>Revised Expiry Date</u>
1,428,571	February 5, 2023	February 5, 2024
10,000,000	Exercise price of \$0.65 for a period of 18 months following the closing date, and \$1.05 for the 18 months thereafter.	Exercise price of \$0.65 for a period of 30 months following the closing date, and \$1.05 for the 6 months thereafter.
7,831,632	Exercise price of \$0.75 for a period of 18 months following the closing date, and \$1.25 for the 18 months thereafter.	Exercise price of \$0.75 for a period of 30 months following the closing date, and \$1.25 for the 6 months thereafter.
1,083,333	Exercise price of \$0.75 for a period of 18 months following the closing date, and \$1.25 for the 18 months thereafter.	Exercise price of \$0.75 for a period of 30 months following the closing date, and \$1.25 for the 6 months thereafter.
5,063,636	November 30, 2023	November 30, 2024
557,273	November 30, 2023	November 30, 2024
4,185,714	June 21, 2023	June 21, 2024

As at September 30, 2023, the warrants have a remaining average life of 1.24 years (March 31, 2023 – 1.52 years).

e) Capital surplus

Capital surplus includes the equity component of the convertible debentures issued for goods and services (Note 12) attributable to the Company. As at September 30, 2023, the carrying value was \$1,673,641 (March 31, 2023 - \$1,740,364).

14. Share-based Payments

Stock Option Plan

On September 1, 2009, the Company established a stock-based compensation plan. Under the stock-based compensation plan, the board of directors of the Company may, from time to time, at its discretion, and in accordance with CSE requirements, grant to directors, officers and technical consultants of the Company, non-transferable options to purchase common shares, provided that the number of common shares reserved for issuance will not exceed ten percent (10%) of the issued and outstanding common shares exercisable for a period of up to five (5) years from the date of grant.

The number of common shares reserved for issuance to any individual director or officer will not exceed five percent (5%) of the issued and outstanding Common Shares, and the number of Common Shares reserved for issuance to all technical consultants will not exceed two percent (2%) of the issued and outstanding Common Shares.

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14. Share-based Payments (continued)

Options may be exercised no later than 90 days following cessation of the optionee's position with the Company, provided that if the cessation of office, directorship, or technical consulting arrangement was by reason of death, the option may be exercised with a maximum period of one year after such death, subject to the expiry date of such option.

The subscription price of the shares which may be issued under the plan must not be lower than the closing price of the last regular board lot sold on the CSE on the trading day immediately preceding the date of grant. The option price is payable in full at the time the option is exercised. The vesting periods in respect of the options are determined by the Board of Directors at the time of each grant of options.

On **September 15, 2023**, the Company issued 5,750,000 stock options, vesting immediately, with an exercise price of \$0.15. The Company estimated a grant date fair value of these options of \$469,482. The grant date fair values of these options were estimates based on the following assumptions: share price at grant date of \$0.09; exercise price of \$0.15; expected life of 5 years; expected volatility of 157%; risk free interest rate of 4.02%; expected dividend yield rate of 0%; and forfeiture rate of 0%. Stock based compensation of \$469,482 was incurred during the period ended September 30, 2023 related to the vesting of options granted in the period.

On **September 15, 2023**, the Company issued 2,150,000 stock options, vesting immediately, with an exercise price of \$0.15. The Company estimated a grant date fair value of these options of \$64,472. The grant date fair values of these options were estimates based on the following assumptions: share price at grant date of \$0.09; exercise price of \$0.15; expected life of 2 years; expected volatility of 84%; risk free interest rate of 4.73%; expected dividend yield rate of 0%; and forfeiture rate of 0%. Stock based compensation of \$64,472 was incurred during the period ended September 30, 2023 related to the vesting of options granted in the period.

The following options were outstanding as at **September 30, 2023**:

Grant Date	Expiry Date	Exercise Price	Closing balance March 31, 2023	Issued	Cancelled/ Exercised/ Expired	Closing balance September 30, 2023	Vested
April 19, 2018	April 19, 2023	\$ 0.80	3,850,000	-	(3,850,000)	-	-
April 19, 2018	April 19, 2023	\$ 0.70	250,000	-	(250,000)	-	-
December 8, 2020	December 7, 2023	\$ 0.20	1,100,000	-	-	1,100,000	1,100,000
December 8, 2020	December 7, 2025	\$ 0.20	5,080,000	-	(100,000)	4,980,000	4,980,000
January 22, 2021	January 22, 2024	\$ 0.20	300,000	-	-	300,000	300,000
May 18, 2021	May 18, 2023	\$ 0.45	1,025,000	-	(1,025,000)	-	-
July 23, 2021	July 23, 2023	\$ 0.45	300,000	-	(300,000)	-	-
October 26, 2021	October 26, 2023	\$ 0.60	700,000	-	(150,000)	550,000	550,000
October 26, 2021	October 26, 2026	\$ 0.60	5,500,000	-	-	5,500,000	5,500,000
March 1, 2022	March 1, 2027	\$ 0.45	250,000	-	-	250,000	250,000
September 15, 2023	September 15, 2025	\$ 0.15	-	2,150,000	-	2,150,000	2,150,000
September 15, 2023	September 15, 2028	\$ 0.15	-	5,750,000	-	5,750,000	5,750,000
			18,355,000	7,900,000	(5,675,000)	20,580,000	20,580,000

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14. Share-based Payments (continued)

The following options were outstanding as at March 31, 2023:

Grant Date	Expiry Date	Exercise Price	Closing balance March 31, 2022	Issued	Cancelled/ Exercised/ Expired	Closing balance March 31, 2023	Vested
April 19, 2018	April 19, 2023	\$ 0.80	3,850,000	-	-	3,850,000	3,850,000
April 19, 2018	April 19, 2023	\$ 0.70	250,000	-	-	250,000	250,000
December 8, 2020	December 7, 2023	\$ 0.20	1,100,000	-	-	1,100,000	1,100,000
December 8, 2020	December 7, 2025	\$ 0.20	5,080,000	-	-	5,080,000	5,080,000
January 22, 2021	December 28, 2022	\$ 0.20	500,000	-	(500,000)	-	-
January 22, 2021	January 22, 2024	\$ 0.20	300,000	-	-	300,000	300,000
May 18, 2021	May 18, 2023	\$ 0.45	1,025,000	-	-	1,025,000	1,025,000
July 23, 2021	July 23, 2023	\$ 0.45	300,000	-	-	300,000	300,000
October 26, 2021	October 26, 2023	\$ 0.60	700,000	-	-	700,000	700,000
October 26, 2021	October 26, 2026	\$ 0.60	5,500,000	-	-	5,500,000	5,500,000
March 1, 2022	March 1, 2027	\$ 0.45	250,000	-	-	250,000	250,000
			18,855,000	-	(500,000)	18,355,000	18,355,000

As at **September 30, 2023**, the stock options have a weighted average exercise price of \$0.30 (March 31, 2023 - \$0.49) and weighted average remaining life of 3.00 years (March 31, 2023 - 1.97 years).

15. Financial Risk Management and Financial Instruments

Financial Risk

The primary goals of the Company's financial risk management are to ensure that the outcomes of activities involving elements of risk are consistent with the Company's objectives and risk tolerance, and to maintain an appropriate risk/reward balance while protecting the Company's balance sheet from events that have the potential to materially impair its financial strength. Balancing risk and reward are achieved through aligning risk appetite with business strategy, diversifying risk, pricing appropriately for risk, mitigating risks through preventative controls and transferring risk to third parties. The Company's exposure to potential loss from financial instruments is primarily due to various market risks, as detailed below.

Market Risk

Market risk is the risk of loss arising from adverse changes to market rates and prices, such as interest rates, equity market fluctuations, foreign currency exchange rates, and other relevant market rates or price changes. Market risk is directly influenced by the volatility and liquidity in the markets in which the related underlying assets are traded. Below is a discussion of the Company's primary market risk exposures and how those exposures are currently managed.

Liquidity Risk

Liquidity risk is the risk that an entity will encounter difficulty in raising funds to meet cash flow commitments associated with financial instruments. The purpose of liquidity management is to ensure that there is sufficient cash to meet all financial commitments and obligations as they fall due. To manage cash flow requirements, the Company will have to issue additional common shares, conclude private placements, and complete debt settlements.

As at **September 30, 2023**, the Company has current liabilities of \$9,020,357 (March 31, 2023 - \$9,340,586) due within 12 months and has cash of \$80,872 (March 31, 2023 - \$1,527,292) and lawyer's trust account of \$180,982 (March 31, 2023 - \$100,442) to meet its current obligations. Liquidity risk is assessed as high. At September 30, 2023, the Company has long term lease liabilities of \$1,237,529 (March 31, 2023 - \$1,312,659).

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15. Financial Risk Management and Financial Instruments (continued)

The table below summarises the maturity profile of the Group's financial liabilities based on undiscounted payments:

15 Months ended March 31, 2022	On demand	1 year	2 – 4 years	> 4 years	Total
Interest bearing loans	4,474,342	Matured	Matured	Matured	4,474,342
Short-term convertible debentures	8,700	1,080	Matured	Matured	9,780
Long-term convertible debentures	5,528,015	450,000	1,350,000	2,250,000	9,578,015
Lease liabilities	-	69,475	32,447	-	101,922

Year ended March 31, 2023	On demand	6 months	1 – 4 years	> 4 years	Total
Interest bearing loans	4,148,913	Due	Due	Due	4,148,913
Promissory note	-	95,000	80,000	-	175,000
Short-term convertible debentures	11,958	Due	Due	Due	11,958
Lease liabilities	-	420,447	1,260,000	336,000	2,016,447

Credit Risk

Credit risk is the risk that one party to a financial instrument fails to discharge an obligation and causes financial loss to another party. Financial instruments that potentially subject the Company to credit risk consist primarily of cash and promissory note receivable. The Company limits its exposure to credit risk by placing its cash with a high credit quality financial institution in Canada. This amount best represents the maximum exposure to any potential credit risk and the risk is assessed as low.

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 convertible debentures have fixed interest rates and, accordingly, are not subject to cash flow interest rate risk due to changes in the market rate of interest. The Company does not use financial derivatives to reduce its exposure to risk.

Foreign exchange risk

Foreign currency risk is the risk that the fair values of future cash flows of a financial instrument will fluctuate because they are denominated in currencies that differ from the respective functional currency. The Company does not hedge its exposure to fluctuations in foreign exchange rates. The Company has operations in Iceland, and the exchange risk is not considered significant considering the level of assets and liabilities.

As at **September 30, 2023**, the Company had foreign exchange risk with respect to US accounts payable of CAD\$321,415 (March 31, 2023 - CAD\$14,021), US related party loans of CAD\$74,448 (March 31, 2023 - CAD\$nil), Great British Pound accounts payable of CAD\$131,654 (March 31, 2023 - CAD\$30,509) and Iceland Krona accounts payable of CAD\$596,404 (March 31, 2023 - CAD\$549,636). If the Canadian dollar changes by ten percent against all foreign currencies, with all other variables held constant, the impact of the foreign currency change on the Company's foreign denominated financial instruments would result in a reduction or increase of after-tax net loss of approximately \$112,392 (March 31, 2023 - \$59,417) for the period ended September 30, 2023.

Fair Value Measurement

Fair value is the amount at which a financial instrument could be exchanged between willing parties, based on current markets for instruments with the same risk, principal and remaining maturity. Fair value estimates are based on present value and other valuation techniques using rates that reflect those that the Company could currently obtain, on the market, for financial instruments with similar terms, conditions and maturities.

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15. Financial Risk Management and Financial Instruments (continued)

The carrying amount and fair value of cash, accounts receivable, and accounts payables are considered to be a reasonable approximation of fair value because of their long-term maturities.

Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values. The three levels of the fair value hierarchy are:

- Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities;
- Level 2 – Inputs other than quoted prices that are observable either directly or indirectly; and
- Level 3 – Inputs that are not based on observable market data.

Derivative liability and convertible debenture investment are measured using level 3 inputs. The fair value of the derivative liability was determined using Black-Scholes Option Pricing Model with the following assumptions:

Share price	\$0.10 - \$2.5 (ZeU)	\$0.11 (Zeu) - \$0.13
Exercise price	\$0.15 - \$1	\$0.10 - \$1
Expected life	0.51 - 8.79 years	0.75 - 9.79 years
Volatility	108% - 284%	236% - 289%
Risk free interest rate	1.70%	1.86%
Dividend yield rate	0%	0%
Forfeiture rate	0%	0%

The fair value of the convertible debenture investment was determined using an interest market rate of 17% and a Black-Scholes Option Pricing Model for the conversion feature using the following assumptions; share price of £0.003; exercise price of £0.005; expected life of 2.7 years; expected volatility of 70.65%; risk free interest rate of 0.71%; expected dividend yield rate of 0%; and forfeiture rate of 0%. At December 31, 2020, the Company determined that based on the financial condition of BWA, the convertible debenture investment was impaired.

The fair value of the marketable securities was originally determined using Level 1 inputs and Level 3 inputs for the 3-year lock up period, which was determined using a Black-Scholes Option Pricing Model with the following assumptions:

Share price	\$0.08
Exercise price	\$0.08
Expected life	3 years
Volatility	140%
Risk free interest rate	1.32%
Dividend yield rate	0%
Forfeiture rate	0%

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16. Capital Management

Capital is comprised of the Company's shareholders' equity and any debt that it may issue. As at **September 30, 2023**, the Company's shareholders' equity was \$15,441,990 (March 31, 2023 - \$15,771,118) and it carried long term lease liabilities of \$1,237,529 (March 31, 2023 - \$1,312,659). The Company's objectives when managing capital are to maintain financial strength and to protect its ability to meet its ongoing liabilities, to continue as a going concern, to maintain creditworthiness and to maximize returns for shareholders over the long term.

Protecting the ability to pay current and future liabilities includes maintaining capital above minimum regulatory levels, current financial strength rating requirements and internally determined capital guidelines and calculated risk management levels. To meet these objectives, management monitors the Company's capital requirements against unrestricted net working capital and assesses additional capital requirements on specific business opportunities on a case-by-case basis.

The capital for expansion is mostly from proceeds from the issuance of common shares and convertible debentures. The net proceeds raised will only be sufficient for a certain amount of exploration and development work on its properties and for working capital purposes. Additional funds may be required to finance the Company's corporate objectives.

There was no change in the Company's capital management policy for the period ended September 30, 2023. The Company is not currently exposed to any externally imposed capital requirements.

17. Related Party Transactions

a) Related party transactions

During the period, the Company incurred transactions with related parties, including companies or subsidiaries controlled by its Chief Executive Officer, President, CFO, Directors, and corporate secretary.

During the period ended **September 30, 2023**, the Company incurred management and administration fees of \$284,250 (2022 - \$696,515) and research fees of \$12,000 (2022 - \$143,112), which were expensed as research and development costs, capitalized \$36,000 (2022 - \$nil) research fees related to the development of the battery recycling process, and other consulting fees of \$30,000 (2022 - \$30,000).

The related parties of the Company subscribed for a total of 700,000 flow-through units for proceeds of \$175,000 in the private placement closed on November 1, 2022.

The related parties of the Company subscribed for a total of 2,230,000 units for proceeds of \$223,000 in the private placement closed on September 14, 2023.

b) Due to Related Parties

As at **September 30, 2023**, included in accounts payable and accrued liabilities is \$997,249 (March 31, 2023 - \$763,572) owing to directors. These amounts are non-interest bearing, unsecured and have no fixed terms of repayment.

As at **September 30, 2023**, the balance of \$94,448 (March 31, 2023 - \$20,000) is due to a director and a related party of the Company, and is included as loans from related parties. This amount is unsecured, non-interest bearing and has no fixed terms for repayment.

c) Stock Options Granted

During the period ended September 30, 2023, a total of 5,750,000 stock options were granted to the key management to purchase common shares of the Company at an exercise price of \$0.15 per share on or before September 15, 2028. The Company recorded stock-based compensation of \$469,482 for options granted to related parties during the period ended September 30, 2023.

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(Expressed in Canadian dollars, except as otherwise noted - unaudited)

18. Segmented Information

The Company currently operates two operating segments: the acquisition and exploration of mining properties and distributed, decentralized, peer-to-peer technology development. All of the Company's activities are conducted in Canada and Iceland.

The Company operates in one business segment: the acquisition and exploration of properties.

The assets, liabilities and operating expenses as the geographic segment information. The primary indicators are as follows:

September 30, 2023	Canada	Iceland	Total
	\$	\$	\$
Assets	23,403,094	2,391,230	25,794,324
Liabilities	6,629,526	3,722,808	10,352,334
Operating expenses	(1,784,645)	(117,800)	(1,902,445)

March 31, 2023	Canada	Iceland	Total
	\$	\$	\$
Assets	24,112,042	2,332,321	26,444,363
Liabilities	7,127,144	3,546,101	10,673,245
Operating expenses	(5,179,015)	(451,976)	(5,630,991)

Key decision makers review assets, liabilities and operating expenses as the primary indicators of segment information. The primary indicators are as follows:

September 30, 2023	Exploration of mining properties	Peer-to-peer technology development	Total
	\$	\$	\$
Assets	25,569,458	224,866	25,794,324
Liabilities	2,994,379	7,357,955	10,352,334
Operating expenses	(1,558,323)	(344,122)	(1,902,445)

March 31, 2023	Exploration of mining properties	Peer-to-peer technology development	Total
	\$	\$	\$
Assets	26,191,651	252,712	26,444,363
Liabilities	3,631,463	7,041,782	10,673,245
Operating expenses	(2,931,450)	(2,699,541)	(5,630,991)

St-Georges Eco-Mining Corp.

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19. Contingencies

In January 2020, the Company received a demand letter from BWA claiming there were material misrepresentations in the share purchase agreement and that BWA was claiming damages of \$1,500,000. In February 2020, the Company issued a cease and desist letter to BWA and claimed certain costs from BWA related to the share purchase agreement. The Company intends to defend itself from the claims made by BWA vigorously. As at September 30, 2023, no amounts have been accrued in the consolidated financial statements related to the claim made by BWA against the Company.

On November 28, 2022, the Company initiated legal proceedings against BWA in front of the High Court of Justice, Business and Property Court of England & Wales.

In the normal course of business, the Company's subsidiaries may incur potential liabilities that are indeterminable as at the date of these financial statements. Any costs resulting from these types of issues will be recorded in the period in which they are agreed.

20. Right-of-use asset and lease liability

The Company entered into a lease agreement on December 1, 2020, for the office premises of its subsidiary Iceland in Reykjavík, Iceland. The lease agreement is on November 30, 2023.

The discount rate used for the lease was 10%. Set out below are the carrying amounts of right of use assets and lease liabilities recognized and the movements during the year:

	Right-of-use asset	Lease liability
	\$	\$
As at March 31, 2022	82,918	101,922
Less: long-term portion		56,623
Current portion		45,299
Depreciation	(50,515)	-
Interest	-	7,525
Foreign exchange adjustment	1,273	1,565
Payments	-	(78,565)
As at March 31, 2023	33,676	32,447
Less: long-term portion		7,210
Current portion		25,237
Depreciation	(25,003)	-
Interest	-	24,287
Foreign exchange adjustment	(339)	(15,114)
Payments	-	(41,620)
As at September 30, 2023	8,334	-
Less: long-term portion		-
Current portion		-

St-Georges Eco-Mining Corp.

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(Expressed in Canadian dollars, except as otherwise noted - unaudited)

20. Right-of-use asset and lease liability (continued)

The Company entered into a lease agreement on December 1, 2022, for the battery recycling and battery mineral processing operations of its subsidiary EVSX in Ontario. The lease agreement extends to December 31, 2027.

The discount rate used for the lease was 10%. Set out below are the carrying amounts of right of use assets and lease liabilities recognized and the movements during the year:

	Right-of-use asset	Lease liability
	\$	\$
As at December 31, 2022	1,597,336	1,597,336
Depreciation	(53,244)	-
Interest	-	26,300
Payments	-	(74,323)
As at March 31, 2023	1,544,092	1,549,313
Less: long-term portion		1,305,449
Current portion		243,864
Depreciation	(79,867)	-
Interest	-	38,262
Payments	-	(96,000)
As at September 30, 2023	1,464,225	1,491,575
Less: long-term portion		1,237,529
Current portion		254,046

21. Subsequent Events

- In **October 2023**, another 81 claims were transferred to the Company in exchange for a royalty. Now the Notre-Dame project comprises 116 claims for a total of approximately 64 square kilometers.
- On **October 24, 2023**, the Company announced it has entered into a binding term sheet with Slam Exploration Ltd. ("Slam") (TSX:SXL) to option its Notre-Dame Niobium critical minerals project. The binding term sheet agreed Slam to earn 51% of the Notre-Dame Niobium project by making the following payments and share issuances to the Company:
 - 1) 500,000 shares of Slam upon regulatory approval from the TSX Venture Exchange;
 - 2) \$25,000 cash and 500,000 share of Slam on or before March 31, 2024;
 - 3) \$25,000 cash and 1,000,000 shares of Slam on or before the 1st anniversary date of a definitive option agreement;
 - 4) Engage \$300,000 in qualified exploration work before the 2nd anniversary of a definitive option agreement.

Upon completion of the above to earn a 51% interest in and to the Notre-Dame Project, the parties may elect to operate the project as a 51% and 49% Joint Venture ("JV"). Or to allow Slam to earn an additional 49% ownership by payment of an additional 1,000,000 shares of Slam to the Company and the Company will retain a NSR of 2%. Slam will hold the right to buy back half of the NSR for \$1,000,000.

St-Georges Eco-Mining Corp.

Notes to the Condensed Consolidated Interim Financial Statements

For the six months ended September 30, 2023

(Expressed in Canadian dollars, except as otherwise noted - unaudited)

21. Subsequent Events (continued)

If a JV is formed, the parties will jointly fund the project. If a party declines participation in duly planned work programs, then the declining party's interest will revert to a 2% Net Smelter Return *("NRS") royalty.

If a party reverts to a 2% NRS holding, the other party will pay that party a NRS of 2%. The other party will hold the right to buy back half of the NRS for \$1,000,000.

- On **October 31, 2023**, the Company closed the second tranche non-brokered private placement of 3,500,000 units at a price of \$0.10 per unit for total gross proceeds of \$350,000.

Each unit consists of one common share and one share purchase warrant. Each warrant entitles the holder thereof to purchase one share at an exercise price of \$0.15 per share until October 31, 2025. The Company paid finder fees of \$7,200 in cash and issued 90,000 finders warrants at a fair value of \$4,770 at an exercise price of \$0.15 per share until October 31, 2025.

- On **October 26, 2023**, 550,000 stock options expired unexercised.
- On **October 6, 2023**, EVSX and AraBat entered into a binding agreement to establish a joint venture to build an industrial battery processing plant in the Italian region of Puglia. The future partners agreed to work on a final agreement to be executed in the first quarter of 2024 to establish an Italian jointly-owned corporation. The partners expect the joint venture to be majority owned by AraBat (51%) with EVSX owning 49%.
- Subsequent to the six months ended September 30, 2023. H2SX issued a total of 990,000 common shares representing 9.9% of its common shares, in favor of Wintech (4.95%) and ZeeOne (4.95%). The parties also received preferred shares with a conversion rate potentially representing 10% of the outstanding shares of H2SX. The Company owns 90.10% of H2SX.
- On **November 23, 2023**, the Company closed a non-brokered private placement of 14,259,260 flow-through units at a price of \$0.135 per unit for total gross proceeds of \$1,925,000.

Each flow-through unit consists of one common share on a flow-through basis and one flow-through share purchase warrant. Each flow-through warrant entitles the holder thereof to purchase one share at an exercise price of \$0.175 per share until November 23, 2025. The Company paid finder fees of \$115,500 in cash and issued 855,556 finders warrants at a fair value of \$27,675 at an exercise price of \$0.175 per share until November 23, 2025.