



Consolidated Financial Statements

For the Year Ended March 31, 2024 and 2023

(Expressed in Canadian Dollars, except as otherwise noted)



KINGSTON
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July 29, 2024
Edmonton, Alberta

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of St-Georges Eco-Mining Corp.

Opinion

We have audited the consolidated financial statements of St-Georges Eco-Mining Corp. and its subsidiaries (the Company), which comprise the consolidated statements of financial position as at March 31, 2024 and 2023, and the consolidated statements of income (loss) and comprehensive income (loss), changes in shareholders' equity (deficiency) and cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of material accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Company as at March 31, 2024 and 2023, and the consolidated financial performance and consolidated cash flows for the years then ended in accordance with International Financial Reporting Standards (IFRS).

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Company in accordance with ethical requirements that are relevant to our audit of the consolidated financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter - Material Uncertainty Relating to Going Concern

We draw your attention to Note 1 in the consolidated financial statements, which indicates that the Company incurred a net loss and has not generated any significant revenues during the year ended March 31, 2024 and, as of that date, the Company has an accumulated deficit and working capital deficit. As stated in Note 1, these events or conditions, along with other matters as set forth in Note 1, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in the audit of the consolidated financial statements of the current period. This matter was addressed in the context of the audit of the consolidated financial statements as a whole, and in forming the auditor's opinion thereon, and we do not provide a separate opinion on this matter. For the matter below, our description of how our audit addressed the matter is provided in that context.

In addition to the matter described in the Emphasis of Matter - Material Uncertainty Related to Going Concern section, we have determined that matters described below to be key audit matters to be communicated in our auditor's report.

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Independent Auditor's Report to the Shareholders of St-Georges Eco-Mining Corp.
(continued)

Existence and recoverability of exploration and evaluation assets

We refer to financial statement summary of significant accounting policies in Note 4 and related disclosure in Notes 7.

At March 31, 2024, the Company held exploration and evaluation assets at the carrying amount of \$21,729,378.

At each reporting period end, management applies judgment in assessing whether there are any indicators of impairment relating to mining claims and deferred exploration costs. If there are indicators of impairment, the recoverable amount of the related asset is estimated in order to determine the extent of any impairment. Exploration and evaluation assets are assessed for impairment if sufficient evidence exists to determine technical feasibility and commercial viability, and facts and circumstances suggest the carrying amount exceeds the recoverable amount. Once technical feasibility and commercial viability of the extraction of mineral resources in an area of interest are demonstrable, exploration and evaluation assets attributable to the area of interest are first tested for impairment and then reclassified to mining property development assets within property and equipment.

Recoverability of the carrying amount of any exploration and evaluation assets is dependable on successful development and commercial exploitation, or alternatively, sale of the respective areas of interest.

We considered this a key audit matter due to the significance of the exploration and evaluation assets balance and the judgments made by management in its assessment of indicators of impairment related to mining claims and deferred exploration costs, which have resulted in a high degree of subjectivity in performing audit procedures related to these judgments applied by management.

To address the risk for material misstatement on exploration and evaluation assets, our audit procedures included, amongst other procedures:

- Assessed the compliance of Company's accounting policies over exploration and evaluation assets with applicable accounting standards in IFRS 6.
- Obtained, for all mining claims, by reference to government registries, evidence to support the right to explore the area and claim expiration dates through examination of applicable licenses.
- Assessed the asset valuation processes and practices.
- Enquired with management and reviewing budgets and other documentation as evidence that further exploration and evaluation activities in the area of interest will be continued in the future.
- Assessed whether any data exists to suggest that the carrying value of the exploration and evaluation assets is unlikely to be recovered through development or sale.

We assessed the adequacy of the Company's presentation and disclosures related to exploration and evaluation assets.

Other Information

Management is responsible for the other information. The other information comprises the information, other than the consolidated financial statements and our auditor's report thereon, which includes Management's Discussion and Analysis.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

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Independent Auditor's Report to the Shareholders of St-Georges Eco-Mining Corp.
(continued)

We obtained Management's Discussion and Analysis prior to the date of this auditor's report. If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact in this auditor's report. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

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Independent Auditor's Report to the Shareholders of St-Georges Eco-Mining Corp.
(continued)

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Justin Rousseau.

Kingston Ross Pasmak LLP
Kingston Ross Pasmak LLP
Chartered Professional Accountants

St-Georges Eco-Mining Corp.

Consolidated Statements of Financial Position

(Expressed in Canadian Dollars, except as otherwise noted)

As at	Note	March 31, 2024	March 31, 2023
		\$	\$
Assets			
Current assets			
Cash and cash equivalents		236,281	1,527,292
Funds held in trust		43,660	100,442
Accounts receivable		347,732	897,506
Prepaid expenses		338,870	285,200
Marketable securities	10	1,545,462	307,525
Total current assets		2,512,005	3,117,965
Non-current assets			
Intangible Assets	6	990	-
Right of use asset	20	1,224,624	1,577,768
Building and land	7	244,856	252,711
Battery recycling plant	7	396,845	396,845
Equipment	7	1,531,468	110,178
Exploration and evaluation assets	7	21,729,378	19,665,202
Other assets	7	415,765	1,323,694
Total assets		28,055,931	26,444,363
Liabilities and Shareholders' Equity			
Current liabilities			
Accounts payable and accrued liabilities	2,12	2,170,739	4,692,614
Debt due on demand	2,13	-	4,323,913
Flow-through liability	14	43,000	43,000
Lease liability	20	284,589	269,101
Convertible debentures at fair value	2,13	-	11,958
Total current liabilities		2,498,328	9,340,586
Long-Term Liabilities			
Loan from Related Party	18	74,672	20,000
Lease liability	20	1,036,133	1,312,659
Total liabilities		3,609,133	10,673,245
Shareholders' equity			
Common shares	14	50,960,050	48,124,503
Obligation to issue shares	8,13,14	-	227,150
Capital surplus	14	-	1,740,364
Reserves	14,18	11,610,586	19,128,927
Subscriptions receivable	14	-	(3,895)
Deficit		(38,123,838)	(41,445,897)
Shareholders' equity		24,446,798	27,771,152
Non-controlling interest	1,2,3	-	(12,000,034)
Total shareholders' equity		24,446,798	15,771,118
Total liabilities and shareholders' equity		28,055,931	26,444,363

Subsequent events (Note 22)

signed "Mark Billings"

Mark Billings
Chairman and director

signed "Richard Barnett"

Richard Barnett
Chief Financial Officer

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

	Note	Year Ended March 31,	
		2024	2023
		\$	\$
Operating expenses			
Accretion and interest expenses	6,13	238,570	1,574,129
Consulting fees	18	322,012	499,700
Management fees	18	666,281	1,002,449
Office expenses		931,216	618,009
Professional fees		413,949	473,089
Property Tax	7	17,304	29,940
Publicity and promotions		155,975	359,042
Research and development fees	9, 18	309,974	601,083
Salary		9,022	100,832
Stock-based compensation	18	533,954	-
Transfer agent and listing fees		53,725	139,275
Travel		65,391	233,443
Loss from operations		(3,717,373)	(5,630,991)
Loss from continuing operations		(3,717,373)	(5,407,362)
Loss from discontinued operations	8	-	(223,629)
Other items			
Unrealized loss on marketable securities	10	(385,540)	(20,632)
Loss on sale of marketable securities	10	(325,269)	-
Gain on disposal of previously impaired BWA shares	10	-	57,000
Foreign exchange gain		70,238	13,613
Allowance for doubtful account	8	(947,467)	(25,000)
Impairment loss on property	7	(6,281)	(240,430)
Impairment of intangible assets	8	-	(446,400)
Gain on disposal of discontinued operations	8	-	7,260
Loss on fair market value change in debentures	13	-	(47,596)
Gain on investments	7	244,955	-
Gain on settlement	7,11	1,173,840	7,966,523
Gain (loss) on write-off accounts payable		(15)	35
Loss on write-off accounts receivable		(13,901)	-
Loss on lease modification	20	(35,221)	-
Loss on interest sold and retained noncontrolling investment	2	(4,345,848)	-
Rental income	7	48,015	36,010
Net income (loss) and comprehensive income (loss)		(8,239,867)	1,669,392
Income (loss) from continuing operations		(8,239,867)	2,192,314
Income (loss) from discontinued operations	8	-	(522,922)
Net income (loss) per share – basic and diluted		\$ (0.03)	\$ 0.01
Net income (loss) per share from continuing operations – basic and diluted		\$ (0.03)	\$ 0.01
Net income (loss) per share from discontinued operations – basic and diluted	8	\$ -	\$ (0.00)
Weighted average number of common shares outstanding basic and diluted		245,975,026	232,359,833
Net income (loss) and comprehensive income (loss) attributable to:			
Shareholders of the Company		3,322,059	(1,959,244)
Non-controlling interests		(11,561,926)	3,628,636
		(8,239,867)	1,669,392

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

St-Georges Eco-Mining Corp.
Consolidated Statements of Changes in Shareholders' Equity (Deficiency)
(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	17,200,000	3,101,636	-	-	-	1,967,000	-	5,068,636	-	5,068,636
Finders fees – cash	-	(306,000)	-	-	-	-	-	(306,000)	-	(306,000)
Finders fees – warrants	-	(101,069)	-	-	-	101,069	-	-	-	-
Shares issued for warrants exercised	896,733	165,896	-	(3,895)	-	-	-	162,001	-	162,001
Shares issued for debt settlement	1,203,267	268,102	-	-	-	-	-	268,102	-	268,102
Subscriptions received	-	-	-	95,000	-	-	-	95,000	-	95,000
Equity component of convertible debenture	-	-	(3,365,280)	-	-	3,365,280	-	-	-	-
Debt settlement interest	-	-	-	-	227,150	-	-	227,150	-	227,150
Allocation of equity to non-controlling interests	-	-	2,447,770	-	-	-	(3,628,636)	(1,180,866)	1,180,866	-
Net income from continuing operations for the year	-	-	-	-	-	-	2,192,314	2,192,314	-	2,192,314
Net loss from discontinued operations for the year	-	-	-	-	-	-	(522,922)	(522,922)	-	(522,922)
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	30,727,960	2,791,908	-	-	-	1,183,561	-	3,975,469	-	3,975,469
Finders fees – cash	-	(211,860)	-	-	-	-	-	(211,860)	-	(211,860)
Finders fees – warrants	-	(63,501)	-	-	-	63,501	-	-	-	-
Shares issued for debt	3,090,000	319,000	-	3,895	-	-	-	322,895	-	322,895
Subscriptions receivable	100,000	-	-	-	-	-	-	-	-	-
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 interests	-	-	(99,353)	-	-	-	11,561,926	11,462,573	(11,462,573)	-
Deconsolidation of a subsidiary	-	-	(1,641,011)	-	-	(9,299,357)	-	(10,940,368)	23,235,457	12,295,089
Net loss for the year	-	-	-	-	-	-	(8,239,867)	(8,239,867)	-	(8,239,867)
Balance as at March 31, 2024	278,738,888	50,960,050	-	-	-	11,610,586	(38,123,838)	24,446,798	-	24,446,798

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

St-Georges Eco-Mining Corp.
Consolidated Statements of Cash Flows
(Expressed in Canadian Dollars, except as otherwise noted)

For the year ended March 31,	2024 \$	2023 \$
Operating activities		
Net income (loss) and comprehensive income (loss) for the year	(8,239,867)	1,669,392
Non-cash items		
Accretion and interest on convertible debenture	238,570	1,574,129
Foreign exchange gain	(70,238)	(13,613)
Unrealized loss on marketable securities	385,540	20,632
Loss on sale of marketable securities	325,269	-
Gain on disposal of previously impaired BWA shares	-	(57,000)
Allowance doubtful account	947,467	25,000
Depreciation expenses	10,058	8,114
Impairment of intangible assets	-	446,400
Impairment on property	6,281	240,430
Gain on discontinued operations	-	(7,260)
Gain on settlement	(1,173,840)	(7,966,523)
Loss (gain) on write-off accounts payable	15	(35)
Loss on write-off accounts receivable	13,901	-
Loss on change in fair value of convertible debentures	-	47,596
Gain on investments	(244,955)	-
Loss on lease modification	35,221	-
Loss on interest sold and retained noncontrolling investment	4,345,848	-
Stock-based compensation	533,954	-
	(2,886,776)	(4,012,738)
Net changes in working capital items		
Payment to promissory notes	(20,000)	-
Prepaid expenses	(100,107)	(256,143)
Accounts receivable	552,044	66,918
Accounts payable and accrued liabilities	(383,424)	2,206,442
	48,513	2,017,217
Net cash used in operating activities	(2,838,263)	(1,995,521)
Net cash used in operating activities from continuing operations	(2,838,263)	(1,771,892)
Net cash used in operating activities from discontinued operations	-	(223,629)
Investing activities		
Exploration and evaluation recovery	(2,070,457)	(4,250,050)
Purchase of building and land	-	(258,694)
Purchase of equipment	(1,423,590)	(105,582)
Other Assets and Plant	907,929	(719,140)
Net proceeds from sale of marketable securities	238,307	-
Net cash used in investing activities	(2,347,811)	(5,333,466)
Net cash used in investing activities from continuing operations	(2,347,811)	(5,333,466)
Net cash used in investing activities from discontinued operations	-	-
Financing activities		
Shares issued for cash (net)	3,763,609	4,762,637
Shares issued for warrants exercise	-	162,001
Subscription received	-	95,000
Fund advance from related parties	74,672	-
Net cash provided by financing activities	3,838,281	5,019,638
Net cash provided by financing activities from continuing operations	3,838,281	5,019,638
Net cash provided by financing activities from discontinued operations	-	-
Change in cash and funds held in trust	(1,347,793)	(2,309,349)
Cash and funds held in trust, beginning of year	1,627,734	3,937,083
Cash and funds held in trust, end of year	279,941	1,627,734

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

St-Georges Eco-Mining Corp.

Notes to the Consolidated Financial Statements

For the year ended March 31, 2024 and 2023

(Expressed in Canadian dollars, except as otherwise noted)

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.

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 March 31, 2024, the Company had not yet achieved profitable operations, had an accumulated deficit of \$38,123,838 (2023 - \$41,445,897), had no operating income and had a working capital of \$13,677 (2023 - \$6,222,621 deficiency), 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.

2. Deconsolidation of A Subsidiary

As of December 31, 2019, the Company retained 8,750,175 shares of ZeU and de facto control of ZeU. ZeU was consolidated due to the fact that common management of the Company controlled the operations of ZeU. The Company continued to consolidate ZeU from December 31, 2019 to March 25, 2024.

In October 2023, the Company filed a Form 45-102F1 (Notice of Intention to Distribute Securities under Section 2.8 of NI 45-102 Resale of Securities) on SEDAR to signify its intention to sell in the public market or privately, up to 8,888,000 common shares of ZeU in multiple transactions. During the year ended March 31, 2024, the Company disposed of 3,246,000 shares of ZeU. At March 31, 2024, the Company retained 8,276,519 (2023 - 10,136,191) shares.

St-Georges Eco-Mining Corp.

Notes to the Consolidated Financial Statements

For the year ended March 31, 2024 and 2023
(Expressed in Canadian dollars, except as otherwise noted)

2. Deconsolidation of A Subsidiary (continued)

As of year ended March 31, 2024, the Company has no power to govern the financial and operating policies of ZeU due to the disposal of ZeU shares and the common management resignation.

Upon deconsolidation, the Company no longer presents the subsidiary's assets, liabilities, and results of operations in its consolidated financial statements. On March 31, 2024, ZeU is no longer required to be consolidated and now accounts for the retained investment in ZeU as an investment at FVTPL. A loss resulting from loss of control of a subsidiary of \$4,345,848, including a loss on noncontrolling investment in ZeU of \$1,101,741.

The carrying value of ZeU net assets deconsolidated and the gain resulting from loss of control of subsidiary are as follows:

	March 25, 2024
	\$
Cash and cash equivalents	44,941
Accounts receivable	26,465
Prepaid expenses	506
Accounts payable and accrued liabilities	2,632,446
Convertible debentures	13,037
Debt due on demand	4,584,040
Loan from related party	20,000
Non-controlling interest	(12,295,089)
Loss resulting from loss of control of subsidiaries	(4,345,848)

On March 31, 2023, ZeU and the Company agreed to consolidating the \$807,467 loans and \$140,000 additional loans into a \$947,467 non-convertible debenture, and the accrued interest of \$138,632 on the prior loans converted into 1,386,328 shares of ZeU at a deemed price of \$0.10 per share. The new loan was bearing interest at 18% per annum with a maturity date of April 30, 2027.

Based on ZeU's performance, financial situation and ability to pay or on the conversion price, during the year ended March 31, 2024, the Company fully impaired the \$947,467 convertible debenture, and interest income recognized was \$42,636 during the year ended March 31, 2024.

St-Georges Eco-Mining Corp.

Notes to the Consolidated Financial Statements

For the year ended March 31, 2024 and 2023
(Expressed in Canadian dollars, except as otherwise noted)

3. Basis of Presentation

a) Statement of Compliance

The consolidated financial statements of the Company have been prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”) and interpretations of the International Financial Reporting Interpretation committee (“IFRIC”).

The consolidated financial statements of the Company were authorized for issue by the Board of Directors on July 29, 2024.

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 5.

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%
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	90.10%

All intercompany transactions, balances and unrealized gains and losses from intercompany transactions are eliminated on consolidation.

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 its Canadian subsidiaries is the Canadian dollar, and the functional currency of its other subsidiaries Iceland Resources EHF, Melmi ehf, and Borealis Commodities Exchange ehf, is the Icelandic Krona.

St-Georges Eco-Mining Corp.

Notes to the Consolidated Financial Statements

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4. Material Accounting Policies Information

Newly Applied Accounting Standards

Effective for annual periods beginning on or after January 1, 2024

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. The amendments are effective for annual periods beginning on or after January 1, 2023 and changes in accounting policies and changes in accounting estimates that occur on or after the start of that period. Earlier application is permitted.

The Company adopted this in the financial statements, and they had no material impact on the financial statements.

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:

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

IFRS 18, "Presentation and Disclosure in Financial Statements" was issued by the International Accounting Standards Board (IASB) on 09 April 2024. The IASB will undertake activities to support implementation and consistent application of the Standard. IFRS 18 was issued in April 2024 and applies to an annual reporting period beginning on or after 1 January 2027."

Amendments to IAS 21, "in August 2023, the IASB issued Lack of Exchangeability, which amended IAS 21 to add requirements to help entities to determine whether a currency is exchangeable into another currency, and the spot exchange rate to use when it is not. These new requirements will apply from 2025, with early application permitted."

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.

On June 26, 2023, the International Sustainability Standards Board (ISSB) released:

- IFRS S1 General Requirements for Disclosure of Sustainability-related Financial Information; and
- IFRS S2: Climate-related Disclosures.

The Canadian Sustainability Standards Board (CSSB) used these standards as baselines to develop.

- Exposure Draft, "CSDS 1, General Requirements for Disclosure of Sustainability-related Financial Information"; and
- Exposure Draft "CSDS 2, Climate-related Disclosures."

CSDS 1 and CSDS 2 are based on IFRS S1 and IFRS S2, respectively.

St-Georges Eco-Mining Corp.

Notes to the Consolidated Financial Statements

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4. Material Accounting Policies Information (continued)

CSDS 1 proposes to adopt IFRS S1 without any modifications, except for the effective date and transition relief. Its primary objective is to require an entity to disclose information about its sustainability-related risks and opportunities. Proposed CSDS 1 includes definitions and information required to prepare a complete set of sustainability disclosures and a standard for sustainability-related disclosures.

Accordingly, the CSSB proposes that CSDS 1 and CSDS 2, once finalized, become effective on the same date. However, the Board proposes extending the one-year transition relief within IFRS S1 to two years for disclosures beyond climate-related risks and opportunities.

The CSSB's goal is to balance these concerns with the urgent need to address climate-related risks. Proposed CSDS 2 provides additional transitional relief by proposing that the entity is not required to disclose its Scope 3 GHG emissions in the first two annual reporting periods in which an entity applies the standard.

The proposed standards would become voluntarily effective for annual reporting periods beginning on or after January 1, 2025.

The proposed transition relief for disclosures beyond climate-related risks and opportunities has been extended from one year granted by the ISSB to two years.

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

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.

St-Georges Eco-Mining Corp.

Notes to the Consolidated Financial Statements

For the year ended March 31, 2024 and 2023
(Expressed in Canadian dollars, except as otherwise noted)

4. Material Accounting Policies Information (continued)

a) Mining Properties and Deferred Exploration and Evaluation Expenditures (continued)

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.

c) 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, funds held in trust, marketable securities, and loans from related parties, are classified as FVTPL. Accounts receivable and accounts payable 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.

St-Georges Eco-Mining Corp.
Notes to the Consolidated Financial Statements
For the year ended March 31, 2024 and 2023
(Expressed in Canadian dollars, except as otherwise noted)

4. Material Accounting Policies Information (continued)

c) Financial Instruments (continued)

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.

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.

St-Georges Eco-Mining Corp.

Notes to the Consolidated Financial Statements

For the year ended March 31, 2024 and 2023
(Expressed in Canadian dollars, except as otherwise noted)

4. Material Accounting Policies Information (continued)

c) Financial Instruments (continued)

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.

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.

d) Intangible assets

Intangible assets also include pending patent applications/patents from Wintech Energy Co. Ltd and ZeeOne Corporation Inc. These are indefinite assets with no expiration date and are tested annually for impairment, with any impairment recorded as a loss.

e) 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.

St-Georges Eco-Mining Corp.

Notes to the Consolidated Financial Statements

For the year ended March 31, 2024 and 2023
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4. Material Accounting Policies Information (continued)

e) Research and development (continued)

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.

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 March 31, 2024 and 2023, the Company had not recognized any internally-generated intangible assets and had recorded all amounts incurred as research costs.

f) 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.

g) 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 Consolidated Financial Statements

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4. Material Accounting Policies Information (continued)

h) 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.

i) 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.

j) 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.

k) 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.

St-Georges Eco-Mining Corp.

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4. Material Accounting Policies Information (continued)

k) Share Capital (continued)

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.

l) 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.

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.

St-Georges Eco-Mining Corp.

Notes to the Consolidated Financial Statements

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4. Material Accounting Policies Information (continued)

m) 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.

n) 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 March 31, 2024 and 2023, no rehabilitation provision has been recorded.

o) 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.

p) 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 for three year to November 30, 2023. From December 1, 2023 the Company pays the rental fees month to month (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.

St-Georges Eco-Mining Corp.

Notes to the Consolidated Financial Statements

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5. 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 Consolidated Financial Statements

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5. Critical Accounting Judgments and Estimates (continued)

a) Judgments (continued)

iv) Investment in BWA Shares Acquired

Investment transactions are accounted for on the trade date. Cost is determined on an average cost basis except for money market securities, for which the cost is determined using the first-in, first-out method, incurred in the purchase and sale of securities by the funds are recognized in the statement of comprehensive income. The difference between the unrealized appreciation (depreciation) of investments at the beginning and at the end of the period is included in unrealized gain/loss on investments in the statement of comprehensive income. On disposal of an investment, the difference between the fair value and the cost of the investment is included in realized gain/loss on investments in the statement of comprehensive income.

When no quoted prices are available, the fair value is estimated using present value or other valuation methods, which are influenced by the assumptions used concerning the amount and timing of estimated future cash flows and discount rates, which reflect varying degrees of risk, including liquidity risk, credit risk, risks related to interest rates, exchange rates, and price and rate volatility.

The calculation of the fair values may differ given the role that judgment plays in applying the valuation techniques and the acceptable estimation, Fair value reflects market conditions at a given date and, for this reason, it may not be representative of future fair values.

v) Evaluation of Levels of Control and Influence

The Company treats investments when it holds less than 20% of the equity as investments available for sale. Those investments available for sale are carried at market value.

The Company owns between 20% to 50% of the equity of an entity and is in a position to exercise significant influence over the entity's operating and financial policies, the Company treats the entity as a subsidiary.

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) 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.

iii) 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.

St-Georges Eco-Mining Corp.

Notes to the Consolidated Financial Statements

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(Expressed in Canadian dollars, except as otherwise noted)

5. Critical Accounting Judgments and Estimates (continued)

b) Estimates (continued)

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.

iv) *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.

v) *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.

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.

6. 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 life.

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).

During the year ended March 31, 2024, pursuant to a license agreement, H2SX issued a total of 990,000 common shares at a value of \$990 for the licensed technology and the Company recorded \$990 of intangible assets (Note 7).

St-Georges Eco-Mining Corp.
Notes to the Consolidated Financial Statements
For the year ended March 31, 2024 and 2023
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7. Exploration and Evaluation Assets

	Julie Project	Le Royal Project	Manicouagan Project	Villebon Project	Notre Dame Project	22F16 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
Acquisition costs	-	-	-	-	1,685	12,385	-	14,070
Claims renewals	9,815	-	18,625	-	-	-	-	28,440
Exploration costs	6,778	-	1,162,368	-	608,740	-	250,061	2,027,947
	16,593	-	1,180,993	-	610,425	12,385	250,061	2,070,457
Impairment	-	-	-	-	-	-	(6,281)	(6,281)
March 31, 2024	3,510,260	5,000	13,097,568	10,350	898,684	12,385	4,195,131	21,729,378

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, a cash payment of \$50,000 and a 1.5% NSR to the vendor.

Villebon Project

The Villebon project is located within the Abitibi Greenstone Belt of northwestern Quebec. The project 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 project in 2019.

St-Georges Eco-Mining Corp.

Notes to the Consolidated Financial Statements

For the year ended March 31, 2024 and 2023
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7. Exploration and Evaluation Assets (continued)

Le Royal Project

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 project is not economically viable for the time being and impaired \$234,848 on the project.

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 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.

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).

St-Georges Eco-Mining Corp.

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7. Exploration and Evaluation Assets (continued)

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 December 20, 2021, and 81 mining claims were transferred from three vendors in exchange for a royalty in October 2023. 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.

On February 5, 2024, Slam Exploration Ltd. terminated the Binding Term Sheet for the acquisition of a 100% interest in the Notre-Dame claims.

22F16 Project

In January 2024, the Company acquired 5 claims contained on NTS sheets 22F16 at no cost.

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);

St-Georges Eco-Mining Corp.

Notes to the Consolidated Financial Statements

For the year ended March 31, 2024 and 2023
(Expressed in Canadian dollars, except as otherwise noted)

7. Exploration and Evaluation Assets (continued)

- 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);
 - 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 the Company 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 10) 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 determined based on the prevailing market price on the date of issuance pursuant to the completion of a plan of arrangement between Nevada Lithium and Iconic and as a shareholder of Iconic (Note 10). The Company recorded a gain of \$244,955 on investments in the statement of loss and comprehensive loss as at the year ended March 31, 2024.

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 at one of the Company’s contracted facilities.

Iceland Resources EHF

On November 16, 2016, the Company entered into a Binding Term Sheet with Iceland Resources EHF (“Iceland Resources”), 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.

St-Georges Eco-Mining Corp.

Notes to the Consolidated Financial Statements

For the year ended March 31, 2024 and 2023
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7. Exploration and Evaluation Assets (continued)

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 13);
- 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.

On November 25, 2023, Iceland Resources acquired surface and minerals rights from private landowners on the Elbow Creek Project. Results from work done by the Company on behalf of the landowners are now available.

Pursuant to the terms of the agreement, the Company has granted the landowners a 2.5% NSR, of which 1.3% can be bought back for USD\$1.3M within 90 days of completing a final feasibility study on the project. Any additional payments to landowners prior to production will be applied against future royalty payments, except for the partial buyback option. The Company paid US\$50,000 in January 2024 to access the project.

St-Georges Metallurgy Corp.

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

On July 9, 2020, SXM 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.

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.

St-Georges Eco-Mining Corp.

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For the year ended March 31, 2024 and 2023
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7. Exploration and Evaluation Assets (continued)

On February 12, 2021, the Company, SXM and Altair entered into a License and Royalty Agreement for Altair to license SXM'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, SXM 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 10).

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 was 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 the Company 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 (Note 22).

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 year ended March 31, 2024, the Company recorded rental income of \$48,015 (2023 - \$36,010) from the commercial rental in the building.

Battery-processing industrial units: in July 2022, EVSX commissioned and disbursed the payments for manufacturing three battery-processing industrial units.

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.

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%.

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7. Exploration and Evaluation Assets (continued)

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 year ended March 31, 2024, EVSX received 2 lithium production lines.

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.

Pursuant to the agreement, 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%) at a price of \$0.001 per share. The parties also received 5-year preferred warrants with a conversion rate potentially representing 10% of the outstanding shares of H2SX at a price of \$0.0001 per share, and received a series of 5-year Special Milestone Warrants exercisable at \$0.0001 per share.

As of March 31, 2024, the Company owns 90.10% of H2SX.

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 March 31, 2024, no shares have been issued.

St-Georges Eco-Mining Corp.

Notes to the Consolidated Financial Statements

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7. Exploration and Evaluation Assets (continued)

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 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 11) 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.

In February 2024, a satisfactory out-of-court settlement was reached with BWA. The Company converted an amount of £731,124 of its loan notes into 146,224,800 common shares of BWA at a fair value of \$1,170,467 based on the prevailing market price on the date of issuance. The converted shares will be restricted from voting for three years on matters pertaining to the election of directors of BWA or matters of management composition. The remainder of the loan notes of £1,420,285 owned by Company was returned to BWA without additional compensation in order to be canceled. Some minority loan note holders have also returned their notes to BWA for cancellation. As of year ended March 31, 2024, the Company has 149,224,800 shares of BWA.

During the year ended March 31, 2024, the Company recorded a gain of \$1,170,467 on the settlement with BWA.

The Company accounts for the shares in BWA Group PLC at FVTPL.

<u>As at March 31, 2024</u>	<u>Ownership Interest</u>	<u>Jurisdiction</u>
BWA Group PLC ("BWA")	19.54 %	United Kingdom

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

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.

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

ZeUPay AS put together a platform for micro-payments and remittance services based in Norway. Over the year 2021, 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.

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 13); 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.

During the year ended March 31, 2024, ZeU was deconsolidated from the Company's consolidation financial statements.

St-Georges Eco-Mining Corp.

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9. Research and development expenses

During the year ended March 31, 2024, the Company incurred expenditures of \$39,751 (2023 - \$18,682) related to the mineral recovery patent application.

During the year ended March 31, 2024, EVSX incurred research expenditures of \$188,865 (2023 - \$396,845 capitalized) research fees in the battery recycling plant.

During the year ended March 31, 2024, SXM incurred \$53,863 (2023 - \$93,305) related to the development of mineral extraction processes with a focus on greener and more economical approaches.

During the year ended March 31, 2024, H2SX incurred \$18,149 (2023 - \$195,975) 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.

10. 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 March 31, 2024 and 2023:

	March 31, 2024		March 31, 2023	
	Number of Shares	Fair value \$	Number of Shares	Fair value \$
Iconic Minerals Ltd. ⁽¹⁾	2,000,000	50,000	2,000,000	200,000
ThreeD Capital Inc. ⁽²⁾	-	-	300,000	102,000
Altair International Corp. ⁽³⁾	80,000	10,270	80,000	5,525
BWA Group PLC ⁽⁴⁾	149,224,800	1,174,137	3,000,000	-
Nevada Lithium Resources Inc. ⁽⁵⁾	142,515	21,377	-	-
ZeU Technologies Inc. ⁽⁶⁾	8,276,519	289,678	-	-
		<u>1,545,462</u>		<u>307,525</u>

(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 7).

(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 year ended March 31, 2024, 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 7).

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.

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10. Marketable Securities and Equity Investments (continued)

- (4) As of December 31, 2020, the Company remained a significant shareholder of BWA but no longer had the ability to appoint an officer or a director of BWA. As such, the Company no longer had 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.

In February 2024, the Company converted an amount of £731,124 of its loan notes into 146,224,800 common shares of BWA at a fair value of \$1,170,467 (Note 7).

- (5) On August 18, 2023, the Company received 816,515 shares of Nevada Lithium (Note 7).

During the year ended March 31, 2024, the Company sold 674,000 shares of Nevada Lithium for proceeds of \$146,310 (cost of \$202,200), and the Company recorded a loss of \$55,890 upon the sale of shares of Nevada Lithium.

- (6) As of March 31, 2024, the Company no longer has significant influence over ZeU, the investment is recorded at fair value.

During the year ended March 31, 2024, the Company sold 3,246,000 shares of ZeU for proceeds of \$16,650 (cost of \$217,376), and the Company recorded a loss of \$200,726 upon the sale of shares of ZeU.

During the year ended March 31, 2024, the Company recorded a loss of \$325,269 (2023 - \$nil) upon the sale of certain shares and an unrealized loss of \$385,540 (2023 - \$20,632) on the marketable securities held.

11. 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 7). The BWA convertible debenture was 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 was 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 10) 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 was £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, 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.

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.

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11. Convertible debenture investment (continued)

In March 2023, the Company met BWA's representatives to investigate possible settlement scenarios.

In February 2024, a settlement was reached with BWA. The Company converted an amount of £731,124 of its loan notes into 146,224,800 common shares of BWA at a fair value of \$1,170,467 based on the prevailing market price on the date of issuance. The remainder of the loan notes of £1,420,285 owned by Company was returned to BWA without additional compensation in order to be canceled (Note 7).

12. Accounts payable and accrued liabilities

	March 31, 2024	March 31, 2023
	\$	\$
Accounts payable (Note 18)	1,918,389	4,225,156
Accrued liabilities (Note 18)	252,350	467,458
	2,170,739	4,692,614

13. 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 March 31, 2024 and 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	1,079	280,127	281,206
Payments	-	(20,000)	(20,000)
Deconsolidation of a subsidiary	(13,037)	(4,584,040)	(4,597,007)
Balance at March 31, 2024	-	-	-

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13. Convertible Debentures (continued)

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 March 31, 2024, the carrying value, including principal and interest of the debt due on demand was \$nil (2023 - \$4,148,913), and interest expense recognized during the year was \$280,127 (2023 - \$280,128).

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.

Under the terms of the amended debentures ("Amended Debentures"), the maturity date was 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 was reduced from \$1.00 to \$0.25 per share;
- 2) The interest was 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 March 31, 2024, the carrying value, including principal and interest of the 2020 amended convertible debentures was \$nil (2023 - \$11,958), and interest expense recognized during the year was \$1,079 (2023 - \$3,258).

b) 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.

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13. Convertible Debentures (continued)

Holders 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 8). 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 year ended March 31, 2024, the balance of the \$175,000 promissory note issued for the debt settlement was \$nil (2023 - \$175,000).

All those convertible debentures were derecognized when ZeU, the subsidiary was deconsolidated from the Company.

14. Share Capital

a) Common Shares

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

During year ended March 31, 2023

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.

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.

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14. Share Capital (continued)

a) Common Shares (continued)

During year ended March 31, 2024

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. 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.

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 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.

On December 20, 2023, the Company closed a non-brokered private placement of 7,703,700 flow-through units at a price of \$0.135 per unit for total gross proceeds of \$1,040,000. Each flow-through unit consists of one common share in the capital of the Company 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 December 20, 2025. The Company paid finder fees of \$62,400 in cash and issued 462,222 finders warrants at a fair value of \$19,623 at an exercise price of \$0.175 per share until December 20, 2025.

During the year ended March 31, 2024, the Company received subscriptions receivable of \$3,895 from prior year warrants exercise. The balance of subscription receivable as at March 31, 2024 is \$nil (2023 - \$3,895).

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14. Share Capital (continued)

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 15).

As of March 31, 2024, the Company recorded contributed surplus of \$5,530,846 (2023 - \$6,800,748) related to options and \$6,079,740 (2023 - \$6,811,175) related to warrants.

d) Warrants

The following is a summary of changes in warrants from March 31, 2022 to March 31, 2024:

	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	35,487,738	0.18
Expired	(21,248,426)	1.059
Balance as at March 31, 2024	57,476,361	0.281

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

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

On February 5, 2024, 1,428,571 warrants expired unexercised.

On March 3, 2024, 18,141,522 warrants expired unexercised.

On March 12, 2024, 1,148,333 warrants expired unexercised.

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14. Share Capital (continued)

d) Warrants (continued)

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 March 31, 2024, all remaining warrants have a remaining average life of 1.46 years (2023 – 1.52 years).

e) Capital surplus

Capital surplus includes the equity component of the convertible debentures issued for goods and services (Note 13) attributable to the Company. As at March 31, 2024, the carrying value was \$nil (2023 - \$1,740,364).

15. 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. 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.

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15. Share-based Payments (continued)

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 year ended March 31, 2024 related to the vesting of options granted in the year.

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 year ended March 31, 2024 related to the vesting of options granted in the year.

The following options were outstanding as at March 31, 2024:

Grant Date	Expiry Date	Exercise Price	Closing balance March 31, 2023	Issued	Cancelled/ Exercised/ Expired	Closing balance March 31, 2024	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)	-	-
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)	-	-
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	-	(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
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	(7,625,000)	18,630,000	18,630,000

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15. 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 March 31, 2024, the stock options have a weighted average exercise price of \$0.30 (2023 - \$0.49) and weighted average remaining life of 2.80 years (2023 - 1.97 years).

16. 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 March 31, 2024, the Company has current liabilities of \$2,498,328 (2023 - \$9,340,586) due within 12 months and has cash of \$236,281 (2023 - \$1,527,292) and funds held in trust of \$43,660 (2023 - \$100,442) to meet its current obligations. Liquidity risk is assessed as high. At March 31, 2024, the Company has long term lease liabilities of \$1,036,133 (2023 - \$1,312,659).

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16. Financial Risk Management and Financial Instruments (continued)

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

Year ended March 31, 2023	On demand	6 months	1 – 4 years	> 4 years	Total
Accounts payable and accrued liabilities	4,692,614	-	-	-	4,692,614
Interest bearing loans	4,148,913	-	-	-	4,148,913
Promissory note	-	95,000	80,000	-	175,000
Short-term convertible debentures	11,958	-	-	-	11,958
Lease liabilities	-	420,447	1,260,000	336,000	2,016,447
Flow-through liability	43,000	-	-	-	43,000

Year ended March 31, 2024	On demand	6 months	1 – 4 years	> 4 years	Total
Accounts payable and accrued liabilities	2,170,739	-	-	-	2,170,739
Lease liabilities	-	404,000	856,000	60,722	1,320,722
Flow-through liability	43,000	-	-	-	43,000

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 March 31, 2024, the Company had foreign exchange risk with respect to US accounts payable of CAD\$307,431 (2023 - CAD\$14,021), US related party loans of CAD\$74,672 (2023 - CAD\$nil), Great British Pound accounts payable of CAD\$101,340 (2023 - CAD\$30,509) and Icelandic Krona accounts payable of CAD\$608,617 (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 \$109,206 (2023 - \$59,417) for the year ended March 31, 2024.

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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16. 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	\$0.11 (Zeu) - \$0.13	\$0.005 (Zeu) - \$0.025
Exercise price	\$0.10 - \$1	\$nil
Expected life	0.75 - 9.79 years	0 year
Volatility	236% - 289%	0%
Risk free interest rate	1.86%	0%
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 based on the market price.

17. Capital Management

Capital is comprised of the Company's shareholders' equity and any debt that it may issue. As at March 31, 2024, the Company's shareholders' equity was \$24,446,798 (2023 - \$15,771,118) and it carried long term lease liabilities of \$1,036,133 (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 year ended March 31, 2024. The Company is not currently exposed to any externally imposed capital requirements.

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18. Related Party Transactions

a) Related party transactions

During the year, 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 year ended March 31, 2024, the Company incurred management and administration fees, including bonuses of \$666,281 (2023 - \$1,002,449) and research fees of \$96,000 (2023 - \$110,070), which were expensed as research and development costs, and other consulting fees of \$45,000 (2023 - \$60,000).

During the year ended March 31, 2024, \$22,400 (2023 - \$nil) rental fees was paid for a director's move to Thorold to work on the battery recycling plant.

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.

The related parties of the Company subscribed for a total of 750,000 units for proceeds of \$75,000 in the private placement closed on October 31, 2023.

b) Due to Related Parties

As at March 31, 2024, included in accounts payable and accrued liabilities is \$1,192,015 (2023 - \$763,572) owing to directors. These amounts are non-interest bearing, unsecured and have no fixed terms of repayment.

As at March 31, 2024, the balance of \$74,672 (2023 - \$20,000) is due to directors 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 year ended March 31, 2024, 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 year ended March 31, 2024.

19. Segmented Information

The Company operated 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:

March 31, 2024	Canada	Iceland	Total
	\$	\$	\$
Assets	25,689,830	2,366,101	28,055,931
Liabilities	3,001,913	607,220	3,609,133
Operating expenses	(3,339,411)	(377,962)	(3,717,373)

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19. Segmented Information (continued)

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:

March 31, 2024	Exploration of mining properties	Peer-to-peer technology development	Total
	\$	\$	\$
Assets	28,055,931	-	28,055,931
Liabilities	3,609,133	-	3,609,133
Operating expenses	(3,717,373)	-	(3,717,373)

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)

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 maturity date is 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	(37,122)	-
Interest	-	25,239
Foreign exchange adjustment	3,446	(2,505)
Payments	-	(55,181)
As at November 30, 2023 and March 31, 2024	-	-

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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 (Note 23).

The landlord acknowledged the rent paid by the Company from February 1, 2023 through March 31, 2024, was as per the original lease dated December 1, 2022, excepting only a free credit from June 1 to August 31, 2023. The Company recorded a loss of \$35,221 on the lease modification.

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	(239,601)	-
Interest	-	108,055
Payments	-	(292,000)
Modification	(79,867)	(44,646)
As at March 31, 2024	1,224,624	1,320,722
Less: long-term portion		1,036,133
Current portion		284,589

21. Income Taxes

A reconciliation of the expected income tax recovery to the actual income tax recovery is as follows:

	March 31, 2024	March 31, 2023
	\$	\$
Net loss before income taxes	(8,239,867)	1,669,172
Statutory rate	27.0%	27.0%
Income taxes at statutory rates	(2,224,764)	450,677
Non-deductible expenses and prior year reconciliation items	1,130,581	(1,504,657)
Changes in temporary differences for which no deferred tax assets are recognized	(1,094,183)	(1,053,980)
Income tax recovery	-	-

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21. Income Taxes (continued)

The Company has the following deferred tax assets and liability for which no deferred tax asset has been recognized:

	March 31, 2024	March 31, 2023
	\$	\$
Non-capital losses	5,619,609	4,525,426
Resource tax pools	1,046,323	601,058
Share issuance costs	169,588	86,620
Marketable securities	37,958	5,571
Convertible debentures	-	(26,545)
	6,873,478	5,188,130

The tax pools relating to these deductible temporary differences expire as follows:

	Non-capital losses
	\$
2027	78,212
2028	161,033
2029	469,691
2030	946,463
2031	794,992
2032	350,808
2033	441,301
2034	417,707
2035	130,621
2036	165,590
2037	956,277
2038	1,775,093
2039	1,631,332
2040	2,516,126
2042	2,021,961
2043	3,903,631
2044	4,052,530
No expiry	20,813,368
	20,813,368

22. Subsequent Events

- On June 21, 2024, 4,185,714 warrants expired unexercised.
- On April 25, 2024, the Company entered into a lease amending agreement, for the battery recycling and battery mineral processing operations of its subsidiary EVSX in Ontario. The amending lease effective May 1, 2024 to a new location for 34,455 square feet. The term of the amending lease shall extend by four months for a total term of five year, four months and seventeen days, to the end on April 30, 2028.
- EVSX paid \$100,001 deposit in May 2022 to acquire three contiguous lots in Baie-Comeau totaling approximately 5,000 square meters for \$400,000. This option expired in May 2024, and the Company received a \$85,001 refund per the terms of the agreement.

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22. Subsequent Events (Continued)

- On June 5, 2024, the Company announced that it entered into an exclusive agreement with LiOH Corp. (“LiOH), a corporation created to finance and market the lithium technology. Frank Dumas, an officer of the Company, is the company’s interim president and Enrico Di Cesare will lend his expertise to the initiative as a senior advisor to the Company. The license is exclusive for an initial period of five years. LiOH will pay all cash disbursements required to finance and operate the initial showcase lithium nitrate and lithium hydroxide operations.

The license is exclusive for an initial period of five years. LiOH will pay all cash disbursements required to finance and operate the initial showcase lithium nitrate and lithium hydroxide operations.

The exclusive license is renewable for an additional five years under certain circumstances, including:

1. Completion of the pilot operations with other partners under SXM’s supervision.
2. Completion of an independent study by March 31, 2027, and
3. Starting the preliminary engineering work for the larger industrial plant by March 31, 2027.
4. Be operating the larger showcase plant or being advanced in the design and financing of the industrial plant, capable of producing 20,000 tons per year and have the permitting process underway.

Failing to respect the timeline or reach the milestones would remove the exclusivity component of the license. The Company will receive 8% of the outstanding shares of LiOH either at the time of a public listing on a senior stock exchange or senior stock market or at the start of the commercial operations that coincide with the start of the regular royalty payments.

- On July 17, 2024, the Company and Call2Recycle Canada Inc. announced the operational launch of EVSX’s new battery processing plant in Thorold, Ontario. This state-of-the art facility will recycle the increasing volumes of alkaline and carbon zinc batteries collected through Call2Recycle’s extensive battery recycling program in Ontario and other provinces. The plant will also work with SXM to transform black mass and develop agricultural fertilizer products.