SOLIS MINERALS LTD.

(An Exploration Stage Company)

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

For the Six Months Ended November 30, 2023 and 2022

(Unaudited – Expressed in Canadian Dollars)

NOTICE OF NO AUDITOR REVIEW OF INTERIM FINANCIAL STATEMENTS

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

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

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

SOLIS MINERALS LTD.

(An Exploration Stage Company)

Condensed Interim Consolidated Statements of Financial Position

(Expressed in Canadian Dollars – Unaudited)

	November 30, 2023	May 31, 2023
Assets		
Current		
Cash	$ 7,239,022	$ 113,036
Receivables (Note 7)	45,784	41,695
Prepaid expenses	152,128	49,748
	7,436,934	204,479
Non-Current		
Equipment (Note 8)	32,280	7,353
Right of use assets (Note 9)	106,834	-
Deferred acquisition costs and advances (Notes 5 and 14)	-	771,589
Exploration and evaluation assets (Note 4)	6,059,603	4,234,011
	$ 13,635,651	$ 5,217,432
Liabilities and Shareholders' Equity		
Current Liabilities		
Accounts payable (Note 7)	$ 798,699	$ 325,590
Accrued liabilities (Note 7)	102,000	102,000
Derivative liability (Note 6)	67,767	125,432
Lease liabilities (Note 9)	34,903	-
	1,003,369	553,022
Non-Current		
Lease liabilities (Note 9)	76,004	-
	1,079,373	553,022
Shareholders' Equity		
Share capital (Note 6)	39,813,620	29,025,555
Reserves (Note 6)	3,489,225	3,367,961
Accumulated other comprehensive loss – cumulative translation adjustment	26,306	-
Deficit	(30,772,873)	(27,729,106)
	12,556,278	4,664,410
	$ 13,635,651	$ 5,217,432

Nature of Operations and Going Concern – Note 1
Commitments – Note 13
Subsequent event – Note 15

Approved on behalf of the Board of Directors:

Signed *"Kevin Wilson"* , Director   Signed *" Chafika Eddine"* , Director

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

SOLIS MINERALS LTD.

(An Exploration Stage Company)

Condensed Interim Consolidated Statements of Income (Loss) and Comprehensive Income (Loss)

(Expressed in Canadian Dollars – Unaudited)

	Three Months Ended November 30, 2023	Three Months Ended November 30, 2022	Six Months Ended November 30, 2023	Six Months Ended November 30, 2022
Expenses				
Accounting, audit and legal	$ 76,397	$ 93,963	$ 310,853	$ 157,661
Amortization of equipment (Note 8)	751	383	1,271	767
Amortization of right of use assets (Note 9)	10,016	-	16,693	-
Bank charges and interest recovery	(71,596)	(1,837)	(82,026)	(2,659)
Consulting fees (Note 7)	200,824	206,803	343,900	333,641
Foreign exchange loss (gain)	(22,061)	(71,286)	139,904	(94,183)
Insurance	18,872	14,876	35,230	45,478
Gain on change in fair value of warrants (Note 6)	(2,832,071)	(44,603)	(57,665)	(206,818)
Management fees (Note 7)	15,000	30,000	30,000	60,000
Office	81,011	16,552	196,215	82,890
Property investigation	11,858	45,440	23,083	67,770
Regulatory and filing fees	14,493	22,585	176,351	53,929
Rent	-	15,641	-	23,763
Share-based compensation (Note 6)	53,266	-	265,329	-
Shareholder communications	80,087	17,817	113,432	65,699
Travel and entertainment	32,907	1,000	84,997	16,212
Write-off of exploration and evaluation assets (Note 4)	379,715	15,219	1,419,894	214,661
Income (loss) for the period	1,950,531	(362,553)	(3,017,461)	(818,811)
Other comprehensive loss				
Exchange difference on translating foreign operations	(10,474)	-	(26,306)	-
Comprehensive income (loss)	$ 1,940,057	$ (362,553)	$ (3,043,767)	$ (818,811)
Income (loss) per common share, basic and diluted	$ 0.02	$ (0.01)	$ (0.04)	$ (0.01)
Weighted average number of common shares outstanding – basic and diluted	87,831,614	60,466,654	81,588,718	60,466,654

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

SOLIS MINERALS LTD.

(An Exploration Stage Company)

Condensed Interim Consolidated Statements of Changes in Shareholders' Equity

(Expressed in Canadian Dollars – Unaudited)

	Share Capital					
	Number	**Amount**	**Reserves**	**Accumulated Other Comprehensive loss - Cumulative Translation Adjustments**	**Deficit**	**Total shareholders' equity**
Balance - May 31, 2022	**60,466,654**	**$ 29,025,555**	**$ 3,367,961**	**$ -**	**$ (26,267,673)**	**$ 6,125,843**
Loss and comprehensive loss for the period	-	-	-	-	(818,811)	(818,811)
Balance - November 30, 2022	**60,466,654**	**29,025,555**	**3,367,961**	**-**	**(27,086,484)**	**5,307,032**
Loss and comprehensive loss for the period	-	-	-	-	(642,622)	(642,622)
Balance - May 31, 2023	**60,466,654**	**29,025,555**	**3,367,961**	**-**	**(27,729,106)**	**4,664,410**
Private placement	15,067,273	7,323,053	-	-	-	7,323,053
Share issuance cost	-	(274,837)	-	-	-	(274,837)
Exercise of options	650,000	314,065	(144,065)	-	-	170,000
Exercise of warrants	11,153,456	2,975,784	-	-	-	2,975,784
Shares issued for acquisition of Onca	500,000	450,000	-	-	-	450,000
Share based compensation	-	-	265,329	-	-	265,329
Other comprehensive loss for the period	-	-	-	26,306	-	26,306
Loss and comprehensive loss for the period	-	-	-	-	(3,043,767)	(3,043,767)
Balance - November 30, 2023	**87,837,383**	**$ 39,813,620**	**$ 3,489,225**	**$ 26,306**	**$ (30,772,873)**	**$ 12,556,278**

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

SOLIS MINERALS LTD.
(An Exploration Stage Company)
Condensed Interim Consolidated Statements of Cash Flows
(Expressed in Canadian Dollars – Unaudited)

	For the Six Months Ended November 30, 2023	2022
Cash flows from operating activities		
Loss for the period	$ (3,043,767)	$ (818,811)
Items not affecting cash:		
Amortization of equipment	1,271	767
Amortization of right of use assets	16,693	-
Interest expense	9,880	-
Gain on change in fair value of warrants	(57,665)	(206,818)
Share-based compensation	265,329	-
Write-off of exploration and evaluation assets	1,419,894	214,661
Changes in non-cash working capital items:		
Decrease (increase) in receivables	677	(7,627)
Decrease (increase) in prepaid expenses and deposits	(102,380)	60,931
Increase in accounts payable/accrued liabilities	87,391	168,823
Net cash used in operating activities	(1,402,677)	(588,074)
Cash flows from investing activities		
Cash received in acquisition of Onca	137,763	-
Exploration and evaluation assets	(1,753,610)	(785,326)
Purchase of capital assets	(26,990)	-
Net cash used in investing activities	(1,642,837)	(785,326)
Cash flows from financing activities		
Issuance of capital stock	7,323,053	-
Share issuance costs	(274,837)	-
Shares issued – options exercised	170,000	-
Shares issued – warrants exercised	2,975,784	-
Lease payments	(22,500)	-
Net cash provided by financing activities	10,171,500	-
Net change in cash for the period	7,125,986	(1,373,400)
Cash – beginning of the period	113,036	3,570,301
Cash – end of the period	$ 7,239,022	$ 2,196,901
Supplemental cash flow information		
Cash paid for interest and income taxes	$ -	$ -
Right of use assets	$ 123,527	$ -
Exploration and evaluation assets accrued through accounts payable and accrued liabilities	$ 451,951	$ 20,667
Fair value of option exercised	$ 144,065	$ -

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

1. Nature of Operations and Going Concern

Solis Minerals Ltd. (an Exploration Stage Company) was incorporated under the Business Corporations Act of British Columbia, Canada on December 1, 2005 and maintains its corporate registered office at Unit 3, 32 Harrogate Street, West Leederville WA 6017, Australia. The Company's common shares are listed on the TSX Venture Exchange (TSX.V: SLMN) in Canada and began trading on the Australian Securities Exchange (ASX: SLM) effective December 24, 2021. Solis Minerals Ltd. and its subsidiaries (collectively referred to as the "Company" or "Solis") are principally engaged in the acquisition and exploration of mineral properties as described herein.

These condensed interim consolidated financial statements have been prepared on a going concern basis, which presumes the realization of assets and discharge of liabilities in the normal course of business for the foreseeable future. However, there are factors that management has identified that may cast significant doubt on the entities ability to continue as a going concern.

For the period ended November 30, 2023, the Company reported a loss of $3,017,461 (2022 – $818,811) and an accumulated deficit of $30,772,873 (May 31, 2023 – $27,729,106). As at November 30, 2023, the Company had working capital of $6,433,565 (May 31, 2023 – working capital deficit of $348,543). The Company has no source of operating cash flow and relies on issuances of equity to finance operations, including exploration of its exploration and evaluation ("E&E") assets.

The ability of the Company to continue as a going concern and meet its commitments as they become due, including completion of the acquisition and exploration of its E&E assets, is dependent on the Company's ability to obtain the necessary financing. Management will seek to raise additional capital to finance operations and expected growth, if necessary, or alternatively to dispose of its interests in certain properties. The outcome of these matters cannot be predicted at this time. If the Company is unable to obtain additional financing, the Company may be unable to continue as a going concern.

The business of mineral exploration involves a high degree of risk and there is no assurance that current exploration projects will result in future profitable mining operations. The Company has significant cash requirements to meet its administrative overhead, pay its liabilities and maintain its E&E assets. The recoverability of amounts shown for E&E assets is dependent on several factors. These include the discovery of economically recoverable reserves, the ability of the Company to obtain the necessary financing to complete the development of these properties and future profitable production or proceeds from disposition of E&E assets. These material uncertainties may cast significant doubt on the Company's ability to continue as a going concern.

The Company's business, financial condition and results of operations may be further negatively affected by economic and other consequences from war in Europe, inflationary pressures in the developed economies, political uncertainty in the middle east and economic uncertainty in China. While the Company expects any direct impacts of pandemics, the war in the Ukraine and the broader economic cycle to the business to be limited, the indirect impacts on the economy and on the mining industry and other industries in general could negatively affect the business and may make it more difficult for it to raise equity or debt financing. There can be no assurance that the Company will not be impacted by adverse consequences that may be brought about on its business, results of operations, financial position and cash flows in the future.

In order to continue as a going concern and to meet its corporate objectives, the Company will require additional financing through debt or equity issuances or other available means. 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 on terms advantageous to the Company. During the period ended November 30 2023, the Company raised gross proceeds of A$8.155 million via a two tranche private placement of common shares, which was completed on August 21, 2023.

1. Nature of Operations and Going Concern (continued)

These condensed interim consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") applicable to a going concern. Accordingly, they do not give effect to adjustments that may be necessary should the Company be unable to continue as a going concern, and therefore, be required to realize its assets and liquidate its liabilities and commitments in other than the normal course of business.

2. Basis of Presentation and Statement of Compliance

These condensed interim consolidated financial statements have been prepared in accordance with IFRS applicable to the preparation of interim financial statements, including International Accounting Standards 34, Interim Financial Reporting, as issued by the International Accounting Standards Board ("IASB"). The accounting policies applied in the preparation of these unaudited condensed interim consolidated financial statements are consistent with those applied and disclosed in the Company's audited consolidated financial statements for the year ended May 31, 2023, except as noted below. These unaudited condensed interim financial statements should be read in conjunction with the Company's audited consolidated financial statements for the year ended May 31, 2023, which have been prepared in accordance with IFRS as issued by the IASB.

These condensed interim consolidated financial statements were authorized for issue by the Company's Board of Directors on January 11, 2024.

These condensed interim consolidated financial statements have been prepared on a historical cost basis, except for financial instruments classified as fair value through profit or loss ("FVTPL"), which are stated at their fair value. In addition, these consolidated financial statements have been prepared using the accrual basis of accounting, except for cash flow information. Certain comparative balances have been reclassified to conform with current year presentation.

The condensed interim consolidated financial statements are presented in Canadian dollars, which is also the functional currency of Solis Minerals Ltd (the parent entity), Westminster Chile SpA and Westminster Peru SAC. The functional currency of Onça Mineração Ltda. is the Brazilian Real.

The preparation of consolidated financial statements requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies.

These condensed interim consolidated financial statements include the accounts of the Company and its wholly owned integrated subsidiaries, Westminster Peru SAC, Westminster Chile SpA and Onça Mineração Ltda. from the date of acquisition on June 5, 2023. All significant inter-company balances and transactions have been eliminated upon consolidation.

During the year ended May 31, 2022, the Company sold Minera Westminster, S.A. de C.V. ("Minera Westminster") and Servicios Westminster, S.A. de C.V. ("Servicios Westminster") for $Nil proceeds. The entities were dormant and accordingly no gain or loss was recognized on disposal.

Subsidiaries are all entities over which the Company has control. The Company controls an entity when the Company is exposed to, or had rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

3. Significant Accounting Policies, New Standards and Interpretations

a) Sources of Estimation Uncertainty

Significant assumptions about the future and the other sources of estimation uncertainty that management has made at the statement of financial position date, that could result in a material adjustment to the carrying amounts of assets and liabilities, in the event that actual results differ from the assumptions made, relate to, but are not limited to, the following:

3. Significant Accounting Policies, New Standards and Interpretations (continued)

a) Sources of Estimation Uncertainty (continued)

(i) Realization of mineral property interests

The Company assesses its E&E assets for possible impairment if there are events or changes in circumstances that indicate that carrying values of assets may not be recoverable, at each reporting period. The assessment of any impairment of E&E asset is dependent upon estimates of recoverable amounts that take into account factors such as reserves, economic and market conditions, timing of cash flows and useful lives of assets and their related salvage values.

(ii) Site restoration obligations

Provisions are recorded when a present legal or constructive obligation exists as a result of past events where it is possible that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the amount of obligation can be made.

Restoration liabilities include an estimate of the future cost associated with the reclamation of the property, discounted to its present value, and capitalized as part of the cost of exploration assets. The estimated costs are based on the present value of the expenditure expected to be incurred. Changes in the discount rate, estimated timing of reclamation costs, or cost estimates are dealt with prospectively by recording a change in estimate, and corresponding adjustment to the exploration assets. The accretion on the reclamation provision is included in the reclamation liability.

As at November 30, 2023, the Company is not aware of any existing environmental obligations related to any of its current or former exploration properties that may result in a liability to the Company.

(iii) Valuation of share-based payments and derivative liabilities

The Company uses the Black-Scholes Option Pricing Model for valuation of share-based payments and derivative liabilities. Option pricing models require the input of subjective assumptions including expected price volatility, interest rate and forfeiture rate. Changes in the input assumptions could materially affect the fair value estimate and the Company's earnings and equity reserves, as well as valuation of derivative liability, and therefore the existing models do not necessarily provide an accurate single measure of the actual fair value of the Company's stock options and warrants.

(iv) Income taxes

In assessing the probability of realizing income tax assets, management makes estimates related to expectations of future taxable income, applicable tax opportunities, expected timing of reversals of existing temporary differences and likelihood that tax positions taken will be sustained upon examination by applicable tax authorities. In making its assessments, management gives additional weight to positive and negative evidence that can be objectively verified. Changes in economic conditions, metal prices and other factors could result in revisions to the estimates of the benefits to be realized or the timing of utilizing losses.

b) Critical Accounting Judgments

Significant judgments about the future and other sources of judgment uncertainty that management has made at the statements of financial position date, that could result in a material adjustment to the carrying amounts of assets and liabilities, in the event that actual results differ from judgments made, relate to, but are not limited to, the following:

3. Significant Accounting Policies, New Standards and Interpretations (continued)

b) Critical Accounting Judgments (continued)

(i) Impairment assessment

The Company assesses its exploration and evaluation assets for possible impairment if there are events or changes in circumstances that indicate that carrying values of the assets may not be recoverable, at each reporting period. The assessment of any impairment of equipment and exploration and evaluation assets is dependent upon estimates of recoverable amounts that take into account factors such as reserves, economic and market conditions, timing of cash flows, and the useful lives of assets and their related salvage values.

(ii) Assessment of going concern

The assessment of the Company's ability to continue as a going concern and to raise sufficient funds to pay for its ongoing operating expenditures, meet its liabilities for the ensuing year, and to fund planned and contractual exploration programs, involves significant judgment based on historical experience and other factors, including expectation of future events that are believed to be reasonable under the circumstances.

(iii) Assessment of functional currency

The Company uses judgment in determining its functional currency. International Accounting Standards ("IAS") 21 The Effects of Changes in Foreign Exchange Rates defines the functional currency as the currency of the primary economic environment in which an entity operates. IAS 21 requires the determination of functional currency to be performed on an entity-by-entity basis, based on various primary and secondary factors. In identifying the functional currency of the parent and of its subsidiaries, management considered the currency that mainly influences the cost of undertaking the business activities in each jurisdiction in which the Company operates and has determined that Canadian Dollars best reflects the Company's economic environment for the parent and its subsidiaries.

c) Financial Instruments

(i) 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.

The following table shows the classification under IFRS 9:

Financial assets/liabilities	Classification
Cash	Amortized cost
Receivables	Amortized cost
Accounts payable and accrued liabilities	Amortized cost
Derivative liability	FVTPL

3. Significant Accounting Policies, New Standards and Interpretations (continued)

c) Financial Instruments (continued)

(ii) Measurement

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

Financial assets and liabilities at FVTPL
Financial assets and liabilities carried at FVTPL are initially recorded at fair value and transaction costs are expensed in the statements of loss and 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 profit or loss in the period in which they arise.

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 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.

(iii) Impairment of financial assets at amortized cost

The Company recognizes a loss allowance for expected credit losses on financial assets that are measured at amortized cost. 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.

(iv) 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.

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 profit or loss.

(Expressed in Canadian Dollars – Unaudited)

3. Significant Accounting Policies, New Standards and Interpretations (continued)

c) Financial Instruments (continued)

Fair value hierarchy
The Company categorizes financial instruments measured at fair value at one of three levels according to the reliability of the inputs used to estimate fair values. The fair value of financial assets and financial liabilities in Level 1 are determined by reference to quoted prices in active markets for identical assets and liabilities. Financial assets and financial liabilities in Level 2 are valued using inputs other than quoted prices for which all significant inputs are based on observable market data. Level 3 valuations are based on inputs that are not based on observable market data.

The Company's measurement of fair value of financial instruments as at November 30, 2023 in accordance with the fair value hierarchy is as follows:

	Total	Level 1	Level 2	Level 3
Liabilities				
Derivative liability	$ 67,767	$ -	$ -	$ 67,767

The Company's measurement of fair value of financial instruments as at May 31, 2023 in accordance with the fair value hierarchy is as follows:

	Total	Level 1	Level 2	Level 3
Liabilities				
Derivative liability	$ 125,432	$ -	$ -	$ 125,432

d) Exploration and Evaluation Assets

Once the legal right to explore a property has been acquired, costs directly related to 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 and payments made to contractors during the exploration phase. Costs not directly attributable to E&E activities, including general and administrative overhead costs, are expensed in the period in which they occur.

From time to time, the Company may acquire or dispose of properties pursuant to the terms of option agreements. Due to the fact that options are exercisable entirely at the discretion of the optionee, the amounts payable or receivable are not recorded. Option payments are recorded as E&E assets or recoveries when the payments are made or received.

When a project is deemed to no longer have commercially viable prospects to 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 profit or loss. The Company assesses E&E assets for impairment when facts and circumstances suggest that the carrying amount of an asset may exceed its recoverable amount.

e) Equipment

Equipment is recorded at cost, less accumulated amortization and accumulated impairment losses. These assets are amortized using the following annual rates:

Office furniture and equipment	30% declining-balance
Computer equipment	45% declining-balance
Field equipment	15% declining-balance

3. Significant Accounting Policies, New Standards and Interpretations (continued)

f) Impairment of Non-Financial Assets

At the end of each reporting period the carrying amounts of the assets are reviewed to determine whether there is any indication that those assets are impaired. Impairment is recognized when the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the asset's fair value less costs to sell and value in use. Fair value is determined as the amount that would be obtained from the sale of the asset in an arm's length transaction between knowledgeable and willing parties. The impairment loss is recognized in profit or loss for the period.

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but to an amount that does not exceed the carrying amount had no impairment loss been recognized. A reversal of an impairment loss is recognized in profit or loss.

g) Reclamation Obligations

The Company recognizes the fair value of a legal or constructive liability for a reclamation obligation in the period in which it is incurred and when a reasonable estimate of fair value can be made. The carrying amount of the related long-lived asset is increased by the same amount as the liability. Changes in the liability for a reclamation obligation due to the passage of time will be measured by applying an interest method of allocation. The amount will be recognized as an increase in the liability and a financing expense in the statement of comprehensive income/loss. Changes resulting from revisions to the timing or the amount of the original estimate of undiscounted cash flows are recognized as an increase or a decrease to the carrying amount of the liability and the related long-lived asset.

h) Share Capital

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, share warrants and options are classified as equity instruments. Incremental costs directly attributable to the issue of new shares or options are recognized as a deduction from equity.

i) Valuation of Equity Units Issued in Private Placements

Proceeds received on the issuance of units, consisting of common shares and warrants, are first allocated to the fair value of the common shares with any residual value then allocated to warrants. The fair value of the common shares is determined by the closing quoted bid price on the issue date. The balance, if any, is allocated to the attached warrants and recorded in reserves.

j) Share-based Payments

Where equity-settled share options are awarded to employees, the fair value of the options at the date of grant is recognized in profit or 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.

3. Significant Accounting Policies, New Standards and Interpretations (continued)

j) Share-based Payments (continued)

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 profit or loss over the remaining vesting period.

Where equity instruments are granted to non-employees, they are recorded at the fair value of the goods or services received in profit or loss, unless they are related to the issuance of shares. Amounts 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 use of a valuation model.

The expected life used in the model is adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions and behavioral considerations.

All equity-settled share-based payments are reflected in share-based reserve, until exercised. Upon exercise, shares are issued from 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.

k) Loss per Share

Basic loss per common share is computed by dividing the net loss for the year by the weighted average number of common shares outstanding for the period. Diluted per share amounts reflect the potential dilution that could occur if securities or other contracts to issue common shares were exercised or converted to common shares. The treasury stock method is used to determine the dilutive effect of stock options and other dilutive instruments. Under the treasury stock method, the weighted average number of common shares outstanding used in the calculation of diluted loss per share assumes that the deemed proceeds received from the exercise of stock options, share purchase warrants and their equivalents would be used to repurchase common shares of the Company at the average market price during the period.

l) Income Taxes

The Company follows the asset and liability method of accounting for income taxes. Under this method, deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities, and their respective tax basis. Deferred tax assets and liabilities are measured using enacted or substantively enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in profit or loss in the period that includes the enactment date. Deferred tax assets also result from unused loss carry-forwards, resource related tax pools and other deductions. A deferred tax asset is recognized for unused tax losses, tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

3. Significant Accounting Policies, New Standards and Interpretations (continued)

m) Foreign Currency Translation

Transactions in currencies other than the functional currency are recorded at the rates of exchange prevailing on the date of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated into Canadian dollars at the rate of exchange prevailing at the statement of financial position date. Non-monetary items are translated at the rate of exchange in effect when the amounts were acquired, or obligations incurred. Non-monetary items measured at fair value are reported at the exchange rates in effect at the time of the transaction.

Exchange differences arising from the translations are recorded as a gain or loss on foreign currency translation in profit or loss.

n) Provisions

Provisions are recorded when a present legal or constructive obligation exists as a result of past events where it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount of the obligation can be made.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the statement of financial position date, taking into account the risk and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

o) Leases

The Company assesses whether a contract is or contains a lease at inception of a contract. The Company recognize a right-of-use asset and a corresponding lease liability with respect to all lease agreements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets. For these leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term unless another systematic basis is more representative of the usage of the economic benefits from the leased asset.

The lease liability is initially measured at a present value of the future lease payments at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Company uses it’s incremental borrowing rate. The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect any lease payments made.

The right-of-use assets comprise the initial measurement of the corresponding lease liability, payments made on or before the lease commencement and any direct costs. They are subsequently measured at cost less amortization and any impairment losses. Right-of-use assets are amortized over the shorter period of the lease term and useful life of the underlying asset.

(Expressed in Canadian Dollars – Unaudited)

4. Exploration and Evaluation Assets

The Company's interests in exploration and evaluation assets are located in Peru, Chile and Brazil. The following table outlines the expenditures for the year ended May 31, 2023 and the period ended November 30, 2023:

	Balance as at May 31, 2022	Additions	Balance as at May 31, 2023	Additions	Balance as at November 30, 2023
Ilo Norte/Ilo Este/Cinto and Regional Project, Peru:					
Acquisition costs	$ 3,369,445	$ 723,301	$ 4,092,746	$ 17,623	$ 4,110,369
Exploration expenditures					
Consulting and engineering	85,121	96,185	181,306	60,973	242,279
Fieldwork and miscellaneous	6,335	37,725	44,060	22,495	66,555
Write-down	(84,101)	-	(84,101)	-	(84,101)
	3,376,800	857,211	4,234,011	101,091	4,335,102
Mostazal, Chile:					
Acquisition costs	303,716	-	303,716	-	303,716
Exploration expenditures					
Assay and core logging	94,962	-	94,962	-	94,962
Consulting and engineering	450,881	74,118	524,999	-	524,999
Drilling	422,190	-	422,190	-	422,190
Fieldwork and miscellaneous	620,423	-	620,423	-	620,423
Write-down	(1,892,172)	(74,118)	(1,966,290)	-	(1,966,290)
	-	-	-	-	-
Jaguar Lithium, Brazil:					
Acquisition costs	-	-	-	416,850	416,850
Exploration expenditures					
Assay and core logging	-	-	-	11,465	11,465
Consulting and engineering	-	-	-	218,860	218,860
Drilling	-	-	-	561,478	561,478
Fieldwork and miscellaneous	-	-	-	211,241	211,241
Write-down	-	-	-	(1,419,894)	(1,419,894)
	-	-	-	-	-
Borborema, Brazil:					
Acquisition costs	-	-	-	83,370	83,370
Acquisition costs - shares	-	-	-	450,000	450,000
Exploration expenditures					
Assay and core logging	-	-	-	15,211	15,211
Consulting and engineering	-	-	-	134,337	134,337
Drilling	-	-	-	572,809	572,809
Fieldwork and miscellaneous	-	-	-	136,532	136,532
	-	-	-	1,392,259	1,392,259
Mina Vermelha, Brazil:					
Acquisition costs	-	-	-	138,950	138,950
Exploration expenditures					
Assay and core logging	-	-	-	5,359	5,359
Consulting and engineering	-	-	-	16,138	16,138
Drilling	-	-	-	154,021	154,021
Fieldwork and miscellaneous	-	-	-	17,774	17,774
	-	-	-	332,242	332,242
	$ 3,376,800	$ 857,211	$ 4,234,011	$ 1,825,592	$ 6,059,603

(Expressed in Canadian Dollars – Unaudited)

4. Exploration and Evaluation Assets (continued)

a) Ilo Norte and Ilo Este, Peru

The Company owns a 100% interest in a portfolio of concessions in southern Peru. During the year ended May 31, 2021, the Company settled $135,263 (US$100,000) accrued acquisition costs through the issuance of common shares.

b) Mostazal, Chile

During the year ended May 31, 2021, the Company entered into an option agreement to earn up to a 100% interest in the Mostazal Copper property in Chile via the acquisition of shares in several Chilean entities.

During the year ended May 31, 2023, the Company terminated the option agreement and wrote-off $74,118 of exploration and evaluation assets to reduce the carrying value to $Nil.

c) Mina Vermelha Project, Brazil

During the period ended November 30, 2023, the Company entered into an option agreement to acquire 100% interest of the Mina Vermelha project in the Borborema province of Brazil upon completion of the following:

i) Cash payment of 500,000 BRL (AUD$155,000) upon signing of the option agreement which will grant the Company a 12-month due diligence period (paid);
ii) Cash payment of 10,000,000 BRL (AUD$3,100,000) on or before October 9, 2024;
iii) Cash payment of 10,000,000 BRL (AUD$3,100,000) on or before October 9, 2025; and
iv) Cash payment of 5,000,000 BRL (AUD$1,550,000) on or before April 9, 2026.

The agreement is subject to a 1.5% net smelter royalty, which the Company has the right to purchase for an amount to be determined by an independent third-party evaluation of the Mina Vermelha Project.

5. Deferred acquisition costs and advances

Borborema, Brazil

During the year ended May 31, 2023, the Company entered into an agreement to acquire a 100% interest in Onça Mineração Ltda. ("Onça"), a Brazilian company. During the period ended November 30, 2023, the Company completed the acquisition by paying of $27,769 (US$20,000) and issuing 500,000 common shares (valued at $450,000) of the Company and Onça became a wholly owned subsidiary. Onça is the holder of lithium exploration permit applications located in Brazil, known as the Borborema claims.

At November 30, 2023, the Company had deferred acquisition costs and advances of $Nil (May 31, 2023 - $771,589).

Cash advances	$	321,426
Deferred Onça acquisition cost		27,769
Jaguar advances		422,394
Total at May 31, 2023	$	771,589

In addition, during the year ended May 31, 2023, Onça entered into an option agreement to acquire the Jaguar claims as detailed below.

(Expressed in Canadian Dollars – Unaudited)

5. Deferred acquisition costs and advances (continued)

Jaguar Lithium, Brazil

During the year ended May 31, 2023, Onça entered into an option agreement to acquire 100% interest of the Jaguar lithium project in Bahia state, north-east Brazil upon completion of the following:

i) Cash payment of 1,500,000 BRL ($416,691 advanced by the Company on behalf of Onça);
ii) Cash payment of 3,500,000 BRL on or before September 1, 2023 ("Option Exercise Fee"); and
iii) Cash payment of 14,500,000 BRL on or before August 27, 2024 ("Deferred Consideration").

Simultaneously with payment of the Option Exercise Fee and subject to the exercise of the option, the Company will issue to the Vendor (or its nominees) 3,000,000 performance rights ("Performance Rights") which convert on a one-for-one basis into fully paid ordinary shares in the capital of the Company upon delineation of an inferred (or greater) mineral resource of 10Mt at 1.0% Li_2O or greater within 24 months from the issue of the Performance Rights.

Jaguar, Brazil:	
Acquisition cost advances	$ 416,691
Exploration expenditure advances	
Consulting and engineering	8,869
Fieldwork and miscellaneous	2,834
	$ 422,394

The Company completed the acquisition of Onça during the period ended November 30, 2023 (Note 14).

During the period ended November 30, 2023, lack of conclusive positive exploration results from the initial drill holes did not give the Company confidence that the project contained sufficient potential for grade or scale to continue with the acquisition. The Company terminated the option agreement and wrote-off $1,419,894 of exploration and evaluation assets to reduce the carrying value to $Nil. All claims over the project have now been relinquished by Solis and Onça.

(Expressed in Canadian Dollars – Unaudited)

6. Share Capital and Reserves

a) Authorized

The Company is authorized to issue an unlimited number of common shares without par value.

b) Private Placements and Share Issuances

During the period ended November 30, 2023, the Company:

i) closed the first tranche of a private placement and issued 5,545,455 common shares at $0.50 (A$0.55) per share for gross proceeds of $2,753,368 (A$3,050,000). The Company incurred $172,419 (A$192,000) in finders' fees.

ii) closed the second tranche of a private placement and issued 9,521,818 common shares at $0.48 (A$0.55) per share for gross proceeds of $4,569,685 (A$5,237,000). The Company incurred $67,961 (A$78,000) in brokers' fees and paid share issuance cost of $34,457.

iii) issued 650,000 common shares pursuant to the exercise of options for gross proceeds of $170,000 and allocated $144,065 reserve to share capital.

iv) issued 11,153,456 common shares pursuant to the exercise of warrants for gross proceeds of $2,975,784.

v) completed the acquisition of Onça by issuing 500,000 common shares valued at $450,000 of the Company (Note 14).

During the year ended May 31, 2023, the Company did not undertake any share issuance activity.

c) Stock Options

The Company has a stock option plan (the "Plan") in place that allows for the reservation of common shares issuable under the Plan to a maximum of 10% of the number of issued and outstanding common shares of the Company at any given time. The exercise price of any stock option granted under the plan may not be less than the closing price of the Company's shares on the last business day immediately preceding the date of grant.

A summary of the status of the Company's stock options as at November 30, 2023 is presented below:

Exercise Price	Balance at May 31, 2023	Granted	Exercised	Balance at November 30, 2023	Expiry Date	Remaining contractual life in years	Number of options vested
$ 0.175	1,650,000	-	(200,000)	1,450,000	October 27, 2025	2.16	1,450,000
$ 0.30	725,000	-	(450,000)	275,000	June 18, 2026	2.80	275,000
$ A0.60	-	600,000	-	600,000	August 11, 2026	2.91	600,000
Totals:	2,375,000	600,000	(650,000)	2,325,000		2.44	2,325,000
	$ 0.21	$ 0.60	$ 0.26	$ 0.30	Weighted average exercise prices		$ 0.30

(Expressed in Canadian Dollars – Unaudited)

6. Share Capital and Reserves (continued)

c) *Stock Options* (continued)

A summary of the status of the Company's stock options as at May 31, 2023 is presented below:

Exercise Price	Balance at May 31, 2022	Cancelled	Expired	Balance at May 31, 2023	Expiry Date	Remaining contractual life in years	Number of options vested
$ 0.175	1,650,000	-	-	1,650,000	October 27, 2025	2.41	1,650,000
$ 0.25	200,000	-	(200,000)	-	March 30, 2023	-	-
$ 0.25	25,000	-	(25,000)	-	September 29, 2022	-	-
$ 0.30	1,025,000	(300,000)	-	725,000	June 18, 2026	3.05	725,000
Totals:	2,900,000	(300,000)	(225,000)	2,375,000		2.61	2,375,000
	$ 0.23	$ 0.30	$ 0.25	$ 0.21	Weighted average exercise prices		$ 0.21

d) *Share-Based Compensation*

During the period ended November 30, 2023, the Company granted 600,000 options stock options to a consultant of the Company. The options are exercisable at AUD$0.60 per option until August 11, 2026. The options were valued using the Black-Scholes option pricing model resulting in share-based compensation of $200,368. The options were fully vested on the grant date.

During the year ended May 31, 2023, the Company did not grant any share options.

The options granted during the period ended November 30, 2023 and 2022 were valued using the Black-Scholes option pricing model with the following weighted average grant date assumptions:

	Period ended November 30, 2023	**Period ended November 30, 2022**
Weighted average grant date fair value	$0.33	-
Weighted average risk-free interest rate	4.70%	-
Expected dividend yield	0.00%	-
Weighted average stock price volatility	160.31%	-
Weighted average forfeiture rate	0.00%	-
Weighted average expected life of options in years	3	-

e) *Performance Rights*

On August 11, 2023, the Company adopted an omnibus equity incentive plan (the "Plan") pursuant to which the Company can grant equity compensation to directors, employees and consultants including stock options, restricted share units ("RSUs") and performance rights units ("PSUs"). In addition, the Company can grant deferred share units ("DSUs") to non-employee directors and their designated affiliates.

During the period ended November 30, 2023, the Company granted 7,000,000 performance rights with a fair value of $390,825 to directors. These performance rights vest over a period of 36 months, or pursuant to specific performance criteria associated with the Company's exploration and evaluation assets and will expire on June 19, 2026. The unvested 7,000,000 performance rights are to be expensed straight line over 3 years. During the period ended November 30, 2023, the Company recognized share-based payment expense of $64,961.

(Expressed in Canadian Dollars – Unaudited)

6. Share Capital and Reserves (continued)

f) Share Purchase Warrants

Exercise Price	Balance at May 31, 2023	Exercised	Expired	Balance at November 30, 2023	Expiry Date	Remaining contractual life in years
AUD$0.30	13,750,000	(11,153,456)	-	2,596,544*	Dec 15, 2023	0.04
AUD$0.28	3,666,667	-	-	3,666,667	Dec 23, 2024	1.07
	17,416,667	(11,153,456)	-	6,263,211		0.64
	$ 0.30	$ 0.30	$ -	$ 0.29	Weighted average exercise prices	

*7,500 warrants were exercised and 2,589,044 warrants expired subsequent to November 30, 2023

Exercise Price	Balance at May 31, 2022	Exercised	Expired	Balance at May 31, 2023	Expiry Date	Remaining contractual life in years
$ 0.80	774,000	-	(774,000)	-	June 15, 2022	-
$ 0.20	3,256,700	-	(3,256,700)	-	Oct 21, 2022	-
$ 0.30	6,889,376	-	(6,889,376)	-	May 14, 2023	-
AUD$0.30	13,750,000	-	-	13,750,000*	Dec 15, 2023	0.57
AUD$0.28	3,666,667	-	-	3,666,667	Dec 23, 2024	1.57
	28,336,743	-	(10,920,076)	17,416,667		0.78
	$ 0.30	$ -	$ 0.31	$ 0.30	Weighted average exercise prices	

*11,160,956 warrants were exercised subsequent to May 31, 2023

As at November 30, 2023, all of the above warrants were exercisable, except the 3,666,667 finders' warrants, which are restricted from exercise until December 24, 2023.

(Expressed in Canadian Dollars – Unaudited)

7. Related Party Transactions

Key management personnel are persons responsible for planning, directing and controlling the activities of the entity, and include all directors and officers. Key management compensation during the period ended November 30, 2023 and 2022 were as follows:

	Six months ended November 30, 2023	Six months ended November 30, 2022
Short-term benefits	$ 340,350	$ 212,954
Total	$ 340,350	$ 212,954

Included in short-term benefits are the following:

(i) $30,000 (2022 - $60,000) in management fees paid or accrued to a company controlled by Jason Cubitt, the Company's former Chief Executive Officer.

(ii) $9,000 (2022 - $9,000) in consulting fees paid or accrued to Rachel Chae, the Company's Chief Financial Officer.

(iii) $34,986 (2022 - $38,954) in director fees paid or accrued to Christopher Gale, a director of the Company.

(iv) $Nil (2022 - $15,000) in consulting fees recorded under exploration and evaluation assets paid or accrued to Fred Tejada, a former director of the Company.

(v) $30,000 (2022 - $30,000) in director fees paid or accrued to Kevin Wilson, a director of the Company.

(vi) $30,000 (2022 - $30,000) in director fees paid or accrued to Chafika Eddine, a director of the Company.

(vii) $30,000 (2022 - $30,000) in director fees paid or accrued to Michael Parker, a director of the Company.

(viii) $71,240 (2022 - $Nil) capitalized in exploration and evaluation assets paid or accrued to a company controlled by Michael Parker, a director of the Company.

(ix) $105,124 (2022 - $Nil) in director fees paid or accrued to Matthew Boyes, the Company's Chief Executive Officer.

Included in receivables is $16,800 (May 31, 2023 - $16,800) receivable from Volatus Capital Corp., a Company with a shared former director, for sublease office rent expenses.

Included in accounts payable and accrued liabilities is $113,714 (May 31, 2023 - $119,408) in key management compensation payable to directors, officers and a former officer.

Included in accounts payable and accrued liabilities is $14,979 (May 31, 2023 - $64,911) due to Latin Resources Limited, a company with a common director.

(Expressed in Canadian Dollars – Unaudited)

8. Equipment

		Office furniture and equipment		Field equipment		Computer equipment		Total
Cost:								
Balance, May 31, 2022 and 2023	$	94,962	$	74,353	$	26,428	$	195,743
Additions		26,990		-		-		26,990
Balance, November 30, 2023	$	121,952	$	74,353	$	26,428	$	222,733
Accumulated amortization:								
Balance, May 31, 2022	$	94,156	$	66,538	$	26,162	$	186,856
Charge for the year		242		1,172		120		1,534
Balance, May 31, 2023		94,398		67,710		26,282		188,390
Charge for the period		877		1,153		33		2,063
Balance, November 30, 2023	$	95,275	$	68,863	$	26,315	$	190,453
Net book value:								
Balance, May 31, 2023	$	564	$	6,643	$	146	$	7,353
Balance, November 30, 2023	$	26,677	$	5,490	$	113	$	32,280

9. Right of use assets

During the period ended November 30, 2023, the Company entered a three years lease for its office in Brazil. For the period ending November 30, 2023, depreciation expense on the right of use assets was $16,693 (2022 - $Nil). The lease term matures on June 30, 2026. The below tables show the continuity of Right of use assets:

Right of use assets, May 31, 2023	$	-
Addition		123,527
Depreciation expense		(16,693)
Right of use assets, November 30, 2023	$	106,834

For the period ending November 30, 2023, interest expense on the lease obligation was $9,880 (2022 - $Nil). The below tables show the continuity of lease obligation and the reconciliation between the undiscounted and discounted balances:

Lease obligation, May 31, 2023	$	-
Addition		123,527
Interest expense		9,880
Payments made		(22,500)
Lease obligation, November 30, 2023		110,907
Current portion		(34,903)
Non-current portion	$	76,004

(Expressed in Canadian Dollars – Unaudited)

9. Right of use assets (continued)

		November 30, 2023
Less than one year	$	54,000
Greater than one year		90,000
Total lease obligation – undiscounted		144,000
Unamortized interest		(33,093)
Total lease obligation - discounted	$	110,907

The weighted average incremental borrowing rate applied to the lease liabilities on June 21, 2023 was 20%.

10. Management of Capital

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to pursue the sourcing and exploration of resource properties. The Company does not have any externally imposed capital requirements to which it is subject.

The Company considers the aggregate of its share capital, reserves and deficit as capital. The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may attempt to issue new shares or dispose of assets or adjust the amount of cash. The strategy is unchanged from the prior year.

11. Financial Instruments and Financial Risk

The Company's financial instruments consist of cash, receivables, accounts payable and accrued liabilities, and derivative liability. The fair values of these financial instruments approximate their carrying values except for the derivative liability which is valued using Level 3 inputs.

An entity classifies fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurement. The fair value hierarchy has the following levels:

Level 1 - quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2 - inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

Level 3 - inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Fair Value of Financial Instruments

The carrying value of cash, receivables, and accounts payable and accrued liabilities approximates their fair values due to the relatively short periods of maturity of these instruments.

Financial risk management objectives and policies

The risks associated with the Company's financial instruments and the policies on how to mitigate these risks are set out below.

Management manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

11. Financial Instruments and Financial Risk (Continued)

Currency risk

The Company's expenses are denominated in Canadian dollars. The Company's corporate office is based in Canada and current exposure to exchange rate fluctuations is minimal.

The Company does not have any significant foreign currency denominated monetary liabilities.

The Company is exposed to currency risk to the extent that expenditures incurred by the Company are denominated in currencies other than the Canadian dollar including the Brazilian Real, Chilean peso and United States dollar. The Company does not manage currency risk through hedging or other currency management tools.

The Company's net exposure to foreign currency risk is as follows (denominated in each country's currency):

	November 30, 2023 US Dollars	May 31, 2023 US Dollars	November 30, 2023 Chilean Pesos	May 31, 2023 Chilean Pesos	November 30, 2023 AU Dollars	May 31, 2023 AU Dollars	November 30, 2023 Brazilian Real	May 31, 2023 Brazilian Real
Cash	$ 10,079	$ 24,949	1,361,791	1,297,092	$ 7,564,078	$ 32,347	1,323,068	-
Accounts payable	(20,996)	(44,083)	(15,223,651)	(16,151,422)	(170,448)	(68,956)	(1,493,431)	-
Net	$ (10,917)	$ (19,134)	(13,861,860)	(14,854,330)	$ 7,393,630	$ (36,609)	(170,363)	-

Interest rate risk

The Company is exposed to interest rate risk on the variable rate of interest earned on bank deposits. The fair value interest rate risk on bank deposits is insignificant as the deposits are short-term.

The Company has not entered into any derivative instruments to manage interest rate fluctuations.

(i) Credit risk

Credit risk is the risk of loss associated with the counterparty's inability to fulfill its payment obligations. Financial instruments that potentially subject the Company to concentrations of credit risks consist principally of cash and receivables. To minimize the credit risk the Company places these instruments with a high-quality financial institution. The Company's receivables consist of amounts due from the Canadian government and third parties and other parties. Some amounts are settled past normal trade terms and in cases where amounts become uncollectible the Company recognizes bad debt expense to write off the uncollectible amounts. At November 30, 2023, the Company had $Nil in amounts due greater than 90 days.

(ii) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company has a planning and budgeting process in place to help determine the funds required to support the Company's normal operating requirements on an ongoing basis. The Company ensures that there are sufficient funds to meet its short-term business requirements, taking into account its anticipated cash flows from operations and its holdings of cash.

(Expressed in Canadian Dollars – Unaudited)

11. Financial Instruments and Financial Risk (continued)

The following is an analysis of the contractual maturities of the Company's non-derivative financial liabilities at November 30, 2023:

	Within 60 days	Between 61-90 days	More than 90 days
Accounts payable	$ 798,699	$ -	$ -
Accrued liabilities	102,000	-	-
	$ 900,699	$ -	$ -

The following is an analysis of the contractual maturities of the Company's non-derivative financial liabilities at May 31, 2023:

	Within 60 days	Between 61-90 days	More than 90 days
Accounts payable	$ 325,590	$ -	$ -
Accrued liabilities	102,000	-	-
	$ 427,590	$ -	$ -

Market Risk

Market risk is the risk that the fair value of, or future cash flows from, the Company's financial instruments will significantly fluctuate due to changes in market prices. The value of financial instruments can be affected by changes in interest rates, foreign currency rates and other price risk.

Other price risk

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market prices, other than those arising from interest rate risk or currency risk. The Company is not exposed to other price risk.

12. Segmented Information

The Company operates in a single reportable operating segment, being the exploration and development of mineral properties. Summarized financial information for the geographic segments the Company operates in are as follows:

	Peru	Brazil	Canada	Total
November 30, 2023				
Capital assets	$ -	$ 17,462	$ 14,818	$ 32,280
Right of use assets	-	106,834	-	106,834
Exploration and evaluation assets	4,335,102	1,724,501	-	6,059,603
	$ 4,335,102	$ 1,848,797	$ 14,818	$ 6,198,717
May 31, 2023				
Capital assets	$ -	$ -	$ 7,353	$ 7,353
Deferred acquisition costs and advances	-	771,589	-	771,589
Exploration and evaluation assets	4,234,011	-	-	4,234,011
	$ 4,234,011	$ 771,589	$ 7,353	$ 5,012,953

(Expressed in Canadian Dollars – Unaudited)

13. Commitments

The Company is party to certain consulting agreements. These agreements contain clauses requiring additional payments to be made upon the occurrence of certain events such as change of control. As the likelihood of these events taking place is not determinable, the contingent payments have not been provided for in the consolidated financial statements.

On May 30, 2023, the Company entered into an investor awareness services contract whereby the Company agreed to issue 2,500,000 common shares. The agreement is subject to regulatory approvals and accordingly, no commitment to issue shares has been recorded.

14. Acquisition of Onça

During the period ended November 30, 2023, the Company completed the acquisition of Onca by paying $27,769 (US$20,000) and issuing 500,000 common shares of the Company on June 15, 2023 (Note 5).

The transaction does not constitute a business combination as Onça does not meet the definition of a business under IFRS 3 – Business Combinations. As a result, the acquisition of Onça has been accounted for as an asset acquisition, whereby all of the assets acquired, and liabilities assumed are assigned a carrying amount based on their relative fair values. Upon closing the transaction, Onça became a subsidiary of the Company. The net assets acquired pursuant to the acquisition are as follows:

Net Assets Acquired		
Cash	$	165,532
Receivables		4,766
Accounts payable		(1,452)
Other payables		(771,589)
Mineral properties - Jaguar		820,768
Mineral properties - Borborema		259,744
	$	477,769

Total Purchase Price		
Cash	$	27,769
Issuance of 500,000 common shares		450,000
	$	477,769

15. Subsequent event

Subsequent to the period ended November 30, 2023, the Company issued 7,500 common shares pursuant to the exercise of warrants for gross proceeds of $2,010.