Condensed Interim Consolidated Financial Statements

Minsud Resources Corp.

For the Three Months Ended March 31, 2023 and 2022
(All amounts in Canadian Dollars unless otherwise noted)

Unaudited

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NOTICE TO READER

The accompanying consolidated financial statements have been prepared by the Company's management and the Company's independent auditors have not performed a review of these financial statements.

Minsud Resources Corp.

Condensed Interim Consolidated Statements of Loss and Comprehensive Loss
For the Three Months Ended March 31, 2023 and 2022
Unaudited - see Notice to Reader
(All Amounts in Canadian Dollars Unless Otherwise Noted)

	2023	2022
Expenses		
General and administrative	$ 38,887	$ 10,793
Marketing and communications	14,841	1,466
Professional and regulatory fees (note 9)	123,945	100,265
Share-based payments (note 8)	394,057	202,123
Taxes on ownership of subsidiary	10,000	10,000
Hyperinflation - monetary loss (note 4)	519,673	152,436
Interest income	(2,859)	-
Net Loss for the Period	(1,098,544)	(477,083)
Other Comprehensive Loss		
Items that may be reclassified to profit and loss:		
Currency translation adjustment (note 4)	345,253	363,039
Comprehensive Loss for the Period	$ (753,291)	$ (114,044)
Net loss per Share - basic and diluted	$ (0.00)	$ (0.00)
Weighted Average Number of Common Shares Outstanding - basic and diluted	163,890,694	163,890,694
Net loss for the Period Attributable to:		
Non-controlling interest	$ (2,301)	$ (791)
Equity shareholders of the Company	(1,096,243)	(476,292)
	$ (1,098,544)	$ (477,083)
Comprehensive Loss for the Period Attributable to:		
Non-controlling interest	$ (14,303)	$ (11,020)
Equity shareholders of the Company	(738,988)	(103,024)
	$ (753,291)	$ (114,044)

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

Minsud Resources Corp.

Condensed Interim Consolidated Statements of Financial Position as at March 31, 2023
Unaudited - see Notice to Reader
(All Amounts in Canadian Dollars Unless Otherwise Noted)

	March 31, 2023	December 31, 2022 (Audited)
Assets		
Non-Current Assets		
Mineral properties (note 6 and 11)	$ 30,393,676	$ 27,050,292
Property and equipment (note 5)	539,714	456,238
Deferred tax asset	2,598	6,797
	30,935,988	27,513,327
Current Assets		
Cash and cash equivalents	4,136,996	2,856,838
Prepaid expenses and deposits	53,039	43,050
Input tax credits receivable	793,064	679,077
Current portion of deferred tax asset	3,165	3,733
	4,986,264	3,582,698
	$ 35,922,252	$ 31,096,025
Shareholders' Equity		
Issued capital (note 7)	19,315,568	19,328,842
Share-based payment reserve (note 8)	6,515,179	6,121,122
Cumulative translation reserve	(167,717)	(524,973)
Deficit	(15,608,421)	(14,512,178)
Equity attributable to shareholders of the Company	10,054,609	10,412,813
Non-controlling interest (note 2(b))	32,838	33,868
	10,087,447	10,446,681
Liabilities		
Non-Current Liabilities		
Deferred exploration recovery (note 12)	23,921,418	19,720,687
Current Liabilities		
Accounts payable and accrued liabilities (note 10)	1,601,642	556,582
Current portion of trust acquisition payable (note 6)	135,360	135,310
Other liabilities	176,385	236,765
	1,913,387	928,657
	$ 35,922,252	$ 31,096,025

Business of the Company (note 1)
Going Concern (note 2(c))
Commitments (note 11)
South 32 Limited Agreement (note 12)
Subsequent Events (note 13)

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

Approved on behalf of the Board of Directors

Signed "Alberto F. Orcoyen" , Director

Signed "Paul Andersen" , Director

Minsud Resources Corp.

Condensed Interim Consolidated Statements of Changes in Equity
For the Three Months Ended March 31, 2023 and 2022
Unaudited - see Notice to Reader
(All Amounts in Canadian Dollars Unless Otherwise Noted)

	Number of Common Shares	Issued Capital	Share-based Payment Reserve	Cumulative Translation Reserve	Deficit	Non-Controlling Interest	Total Equity
Balance at January 1, 2023	163,890,694	$ 19,328,842	$ 6,121,122	$ (524,973)	$(14,512,178)	$ 33,868	$ 10,446,681
Loss for the period attributable to shareholders of the Company	-	-	-	-	(1,096,243)	-	(1,096,243)
Loss for the period attributable to non-controlling interests	-	-	-	-	-	(2,301)	(2,301)
Other comprehensive income for the period	-	-	-	355,977	-	(10,724)	345,253
	163,890,694	19,328,842	6,121,122	(168,996)	(15,608,421)	20,843	9,693,390
Share-based payments (note 8)	-	-	394,057	-	-	-	394,057
Effects of change in non-controlling interest (note 2(b))	-	(13,274)	-	1,279	-	11,995	-
Balance at March 31, 2023	163,890,694	$ 19,315,568	$ 6,515,179	$ (167,717)	$(15,608,421)	$ 32,838	$ 10,087,447

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

Minsud Resources Corp.

Condensed Interim Consolidated Statements of Changes in Equity
For the Three Months Ended March 31, 2023 and 2022
Unaudited - see Notice to Reader
(All Amounts in Canadian Dollars Unless Otherwise Noted)

	Number of Common Shares	Issued Capital	Share-based Payment Reserves	Cumulative Translation Reserve	Deficit	Non-Controlling Interest	Total Equity
Balance at January 1, 2022	163,890,694	$ 19,371,637	$ 5,648,471	$ (2,995,052)	$ (10,907,745)	$ 35,128	$ 11,152,439
Loss for the period attributable to shareholders of the Company	-	-	-	-	(476,292)	-	(476,292)
Loss for the period attributable to non-controlling interests	-	-	-	-	-	(791)	(791)
Other comprehensive income for the period	-	-	-	373,268	-	(10,229)	363,039
	163,890,694	19,371,637	5,648,471	(2,621,784)	(11,384,037)	24,108	11,038,395
Share-based payments (note 8)	-	-	202,123	-	-	-	202,123
Effects of change in non-controlling interest (note 2(b))	-	(8,614)	-	(2,979)	(1)	11,594	-
Balance at March 31, 2022	163,890,694	$ 19,363,023	$ 5,850,594	$ (2,624,763)	$(11,384,038)	$ 35,702	$ 11,240,518

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

Minsud Resources Corp.

Condensed Interim Consolidated Statements of Cash Flows
For the Three Months Ended March 31, 2023 and 2022
Unaudited - see Notice to Reader
(All Amounts in Canadian Dollars Unless Otherwise Noted)

	2023	2022
Cash Provided By (Used In):		
Operating Activities		
Net loss for the period	$ (1,098,544)	$ (477,083)
Items not affecting cash flows from operating activities:		
Hyperinflation - monetary loss	519,673	152,436
Items not affecting cash:		
Share-based payments (note 8)	394,057	202,123
	(184,814)	(122,524)
Net changes in non-cash working capital:		
Input tax credits receivable	(113,987)	(3,731)
Prepaid expenses and deposits	(9,989)	(13,434)
Accounts payable and accrued liabilities	6,652	3,252
	(302,138)	(136,437)
Investing Activities		
Mineral property expenditures	(2,595,061)	(895,183)
Purchase of property and equipment (note 5)	(92,394)	(96,347)
Proceeds from deferred exploration recovery (note 12)	4,200,731	1,270,465
Trust acquisition payments	69,020	-
	1,582,296	278,935
Change in Cash and Cash Equivalents	1,280,158	142,498
Cash and Cash Equivalents - Beginning of Period	2,856,838	2,608,689
Cash and Cash Equivalents - End of Period	$ 4,136,996	$ 2,751,187
Cash and cash equivalents is comprised of:		
Cash	$ 4,136,996	$ 2,683,921
Cash equivalents	-	67,266
Total	$ 4,136,996	$ 2,751,187
Supplemental Cash Flow Information		
Interest received	$ 2,859	$ -

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

1. Business of the Company

Minsud Resources Corp. (the "Company") was incorporated under the Ontario Business Corporations Act on October 11, 2007 and is a publicly listed company on the TSX Venture Exchange under the symbol "MSR". The registered office is located at 340 Richmond Street West, Toronto Ontario. The principal place of business is located at Esmeralda 684 piso 15 - (CP.1007), Ciudad de Buenos Aires, Argentina.

The Company is in the process of exploring its mineral resource properties located in Argentina. To date, the Company has not earned significant revenues and is considered to be in the exploration stage. The realization of amounts shown for resource properties is dependent upon the discovery of economically recoverable reserves, the ability of the Company to obtain the necessary financing to develop these properties and generate future profitable operations or proceeds of disposition from these properties.

2. Basis of Presentation and Going Concern

a) Statement of Compliance

The Company's condensed interim consolidated financial statements have been prepared in accordance with IAS 34, "Interim Financial Reporting." These condensed interim consolidated financial statements should be read in conjunction with the Company's audited consolidated financial statements for the year ended December 31, 2022, which were prepared with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and interpretations issued by the IFRS Interpretations Committee. These condensed interim consolidated financial statements have been prepared following the same accounting policies used in the preparation of the Company's audited consolidated financial statements for the year ended December 31, 2022, and were approved by the Board of Directors of the Company on May 30, 2023.

b) Basis of Consolidation

These condensed interim consolidated financial statements include the accounts of the Company, its wholly-owned subsidiary, Minsud Argentina Inc ("MAI"), and MAI's subsidiary Minera Sud Argentina S.A. ("MSA").

MAI acquired 10,309,400 of the 10,852,000 outstanding common shares of MSA at May 10, 2011, representing a 95% ownership interest in MSA. The Company entered into a put and call option agreement with respect to the remaining 542,600 shares of MSA (representing 5% of the total number of issued and outstanding shares of MSA) which includes an irrevocable covenant to not divest or encumber such shares. The put and call option agreement allows the remaining 542,600 shares of MSA to be exchanged for 790,000 common shares of the Company at the option of either party.

As at March 31 2023, MAI held 144,951,699 (December 31, 2022 - 144,951,699) of the 145,494,299 (December 31, 2022 - 145,494,299) outstanding common shares of MSA, representing an ownership interest of 99.63% (December 31, 2022 - 99.63%). As at March 31, 2023 and December 31, 2022, the 542,600 shares of MSA not owned by MAI represented a non-controlling interests of 0.37% for both periods.

2. Basis of Presentation and Going Concern (continued)

b) Basis of Consolidation (continued)

Consolidation of an investee begins when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. Control is achieved when the Company is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Company controls an investee if and only if the Company has:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee);
- Exposure, or rights, to variable returns from its involvement with the investee; and
- The ability to use its power over the investee to affect its returns.

Generally, there is a presumption that ownership of a majority of voting rights results in control. To support this presumption, and when the Company has less than a majority of the voting or similar rights of an investee, the Company considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement(s) with the other vote holders of the investee;
- Rights arising from other contractual arrangement(s); and
- The Company's voting rights and potential voting rights.

The Company re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent of the Company and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to align their accounting policies with the Company's accounting policies. All inter-company assets and liabilities, equity, income, expenses and cash flows relating to intercompany transactions are eliminated in full on consolidation.

2. Basis of Presentation and Going Concern (continued)

c) Going Concern

The Company has not yet established whether its mineral properties contain resources or reserves that are economically recoverable. The recovery of amounts capitalized as mineral properties is dependent upon the discovery of economically recoverable resources or reserves, the ability of the Company to arrange appropriate financing to complete the development of properties, and upon future profitable production, or alternatively, upon the Company's ability to dispose of its interests on an advantageous basis, all of which are uncertain.

The Company's ability to continue as a going concern is dependent upon, but not limited to, its ability to raise financing necessary to fund its exploration programs, maintain its mineral properties concession rights and exploration agreements with purchase options, discharge its liabilities as they become due and generate positive cash flows from operations.

These condensed interim consolidated financial statements are prepared on the basis of accounting principles applicable to a going concern, which assumes that the Company will continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of business for the foreseeable future. The Company has not generated revenue from operations. During the three months ended March 31, 2023, the Company incurred a net loss of $1,098,544 (2022 - $477,083) and as of that date, the Company's deficit was $15,608,421 (December 31, 2022 - $14,512,178). As at March 31, 2023, the Company has current assets of $4,986,264 (December 31, 2022 - $3,582,698) and current liabilities of $1,913,387 (December 31, 2022 - $928,657). The Company has working capital of $3,072,877 as at March 31, 2023 (December 31, 2022 - $2,654,041).

The prices of metals and minerals fluctuate widely and are affected by many factors outside of the Company's control. The prices of metals and minerals and future expectation of such prices have a significant impact on the market sentiment for investment in mining and mineral exploration companies. This in turn may impact the Company's ability to raise equity financing for its long-term working capital requirements.

The above noted events and conditions give rise to a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern. These condensed interim consolidated financial statements do not give effect to adjustments that may be necessary, should the Company be unable to continue as a going concern. If the going concern assumption was not used then the adjustments required to report the Company's assets and liabilities at liquidation values could be material to these condensed interim consolidated financial statements.

3. Significant Accounting Policies

The accounting policies are consistent with those of the Company's audited consolidated financial statements for the year ended December 31, 2022.

4. Significant Accounting Judgments, Estimates and Assumptions

The preparation of these condensed interim consolidated financial statements in conformity with IFRS requires management to make estimates, assumptions and judgments with respect to future events. These estimates and judgments are based on past experience and other factors, in particular, forecasts of future events that are reasonable in the circumstances. The actual results are likely to differ from the estimates, assumptions and judgments made by management.

The following paragraphs describe the most critical management estimates and assumptions in the recognition and measurement of assets, liabilities and expenses and the most critical management judgments in applying accounting policies.

Estimates

i) Share-based payments

The estimate of share-based payment and the fair value of warrants requires the selection of an appropriate valuation model and consideration as to the inputs necessary for the valuation model chosen. The Company has made estimates as to the volatility of its own shares, the expected life of options and expected extinguishments. The model used by the Company is the Black-Scholes option pricing model. Changes in the subjective input assumptions, such as the expected price volatility, can materially affect the fair value estimate.

Critical Judgments

i) Impairment of mineral properties

Mineral properties are tested for impairment when events or changes in circumstances indicate that the carrying amount may not be recoverable. When an indicator of impairment is identified, the Company determines the recoverable amount of the mineral property, which is the higher of an asset's fair value less costs of disposal or value in use. An impairment loss is recognized if the carrying value exceeds the recoverable amount. The recoverable amount of a mineral property may be determined by reference to estimated future operating results and discounted net cash flows, current market valuations of similar properties or a combination of the above. In undertaking this review, management of the Company is required to make significant estimates of, amongst other things: reserve and resource amounts, future production and sale volumes, forecast commodity prices, future operating, capital and reclamation costs to the end of the mine's life and current market valuations from observable market data which may not be directly comparable. These estimates are subject to various risks and uncertainties, which may ultimately have an effect on the expected recoverable amount of a specific mineral property asset. Changes in these estimates could have a material impact on the carrying value of the mineral property amounts and the impairment losses recognized.

4. Significant Accounting Judgments, Estimates and Assumptions (continued)

Critical Judgments (continued)

ii) Functional currency of foreign subsidiaries

Management uses its judgment to determine the functional currency that most faithfully represents the economic effects of the underlying transactions, events and conditions. As part of this approach, management gives priority to indicators like the currency that mainly influences costs and the currency in which those costs will be settled and the currency in which funds from financing activities are generated. Management also assesses the degree of autonomy the foreign operation has with respect to operating activities.

iii) Hyper-inflationary accounting

The Company has designated Argentina as a hyper-inflationary economy and has therefore employed the use of the hyper-inflationary accounting to consolidate and report MSA. The determination of whether an economy is hyper-inflationary requires the Company to make certain estimates and judgments, such as an assessment of historic inflation rates and anticipation of future trends. In addition, the application of hyperinflationary accounting requires the selection and use of price indices to estimate the impact of inflation on the non-monetary assets and liabilities, and results of operations of the Company. The selection of price indices is based on the Company's assessment of various available price indices on the basis of reliability and relevance. Changes in estimates may significantly impact the carrying value of nonmonetary assets or liabilities, and results of operations, which are subject to hyper-inflationary adjustments, and the related gains and losses within the other comprehensive income.

iv) Deferred exploration recoveries

Management considered the facts and circumstances surrounding the receipt of deferred exploration recoveries (note 12), in determining that it represents a liability to the Company. The payment represents a portion of the funding that will form the consideration for South32 Aluminium (Holdings) Pty Ltd's ("South32") investment in MSA, should South32 exercise its right to acquire a 50.1% direct interest in MSA. In management's view, as the Company continues to operate the Chita Valley Project, this payment for the future sale of a controlling interest in MSA is considered to be a present obligation of the Company.

5. Property and Equipment

As at March 31, 2023	Vehicles	Office Equipment	Facilities	Other	Total
Cost					
Balance, beginning of period	$ 237,861	$ 255,312	$ 149,660	$ 1,989	$ 644,822
Additions	69,504	7,728	12,924	2,238	92,394
Currency translation adjustments	(36,171)	(38,826)	(22,759)	(302)	(98,058)
Effects of hyperinflation	43,384	47,601	27,579	527	119,091
Balance, end of period	314,578	271,815	167,404	4,452	758,249
Accumulated depreciation					
Balance, beginning of period	(115,601)	(64,330)	(8,275)	(378)	(188,584)
Depreciation	(8,268)	(14,533)	(3,353)	(241)	(26,395)
Currency translation adjustments	18,228	10,923	1,521	77	30,749
Effects of hyperinflation	(20,855)	(11,855)	(1,525)	(70)	(34,305)
Balance, end of period	(126,496)	(79,795)	(11,632)	(612)	(218,535)
Net carrying amount as at March 31, 2023	$ 188,082	$ 192,020	$ 155,772	$ 3,840	$ 539,714

As at March 31, 2022	Vehicles	Office Equipment	Facilities	Other	Total
Cost					
Balance, beginning of period	$ 74,613	$ 45,718	$ -	$ -	$ 120,331
Additions	57,236	37,799	-	1,312	96,347
Disposals	-	-	-	-	-
Currency translation adjustments	(7,532)	(4,616)	-	-	(12,148)
Effects of hyperinflation	19,998	9,611	-	78	29,687
Balance, end of period	144,315	88,512	-	1,390	234,217
Accumulated depreciation					
Balance, beginning of period	(74,613)	(17,106)	-	-	(91,719)
Depreciation	(3,500)	(4,663)	-	(73)	(8,236)
Disposals	-	-	-	-	-
Currency translation adjustments	7,710	1,964	-	4	9,678
Effects of hyperinflation	(10,800)	(2,471)	-	-	(13,271)
Balance, end of period	(81,203)	(22,276)	-	(69)	(103,548)
Net carrying amount as at March 31, 2022	$ 63,112	$ 66,236	$ -	$ 1,321	$ 130,669

Depreciation expense has been capitalized to mineral properties.

6. Mineral Properties

	San Juan Province Chita Valley				
As at March 31, 2023	**Chita**	**Brechas Vacas**	**Minas de Pinto**	**Other**	**Total**
Balance, beginning of period	$ 14,906,432	$ 8,366,134	$ 3,764,402	$ 13,324	$ 27,050,292
Property rights/exploration agreements	-	-	22,382	-	22,382
Exploration activities [(1)]	1,766,816	712,680	39,833	-	2,519,329
Currency translation adjustments	(2,282,491)	(1,292,878)	(555,856)	(2,026)	(4,133,251)
Effects of hyperinflation	2,714,677	1,546,027	671,765	2,455	4,934,924
Balance, end of period	$ 17,105,434	$ 9,331,963	$ 3,942,526	$ 13,753	$ 30,393,676

	San Juan Province Chita Valley				
As at March 31, 2022	**Chita**	**Brechas Vacas**	**Minas de Pinto**	**Other**	**Total**
Balance, beginning of period	$ 9,703,838	$ 6,188,736	$ 2,957,597	$ 11,029	$ 18,861,200
Property rights/exploration agreements	-	-	19,342	-	19,342
Exploration activities [(1)]	19,849	30,535	(10,548)	-	39,836
Currency translation adjustments	(902,818)	(606,220)	(285,117)	(1,113)	(1,795,268)
Effects of hyperinflation	1,291,765	867,181	407,921	1,593	2,568,460
Balance, end of period	$ 10,112,634	$ 6,480,232	$ 3,089,195	$ 11,509	$ 19,693,570

[(1)]Amounts recorded as exploration activities include fees paid for drilling, construction of roads and labour and technical fees.

Chita Property

On September 28, 2006, the Company, through MSA, entered into an Exploration Agreement (the "Chita Agreement") including a Purchase Option to purchase a 100% ownership interest in the mining properties pursuant to certain terms and conditions, with the owners of the mining properties identified as Proyecto Chita in the Chita Valley, in the Province of San Juan, Argentina. The Chita Property includes the Chita I, II, III, IV, V and VI mining concessions, as well as the Romina, Lucrecia and Mabel mining concessions.

On August 3, 2012, the Company exercised its Purchase Option to acquire a 100% interest in the Chita Property in exchange for a series of cash payments totaling US$420,000. On September 12, 2012, the ownership interest in the Chita Property was transferred to the Company and registered by the Ministry of Mines in San Juan Province.

On September 12, 2017, the Company made the final payment pursuant to the Purchase Option resulting in a 100% ownership interest in the Chita Property.

6. Mineral Properties (continued)

Chita Property (continued)

On July 14, 2022, the Company announced an agreement with San Juan Mining S.A. to acquire a mineral property named "Mina Gabriela" located in the central area of the Chita property, in San Juan Province, Argentina. Under the terms of the Transfer Agreement, Minsud acquired 100% of Mina Gabriela's rights for a cash purchase price of US$30,000 ($39,414). The "Mina Gabriela'' property has an area of 30 hectares which is within and overlapping the Chita property.

Brechas Vacas Property

On September 7, 2007, MSA entered into an exploration agreement including a purchase option (the "Initial Brechas Vacas Agreement") with the owners of the mining properties (the "Brechas Vacas owners") identified as Proyecto Brechas Vacas, located in the Chita Valley, in the Province of San Juan, Argentina (the "Brechas Vacas property"). In addition to the exploration rights, the Brechas Vacas owners granted to MSA, an irrevocable and exclusive option to purchase a 50% ownership interest in the property.

On September 6, 2011, MSA exercised its option to purchase a 50% ownership interest in the Brechas Vacas property for consideration of US$210,000. Subsequent to exercising this option, the ownership of the Brechas Vacas property was transferred by the Brechas Vacas owners to the Brechas Vacas Trust and MSA simultaneously acquired a 50% beneficial interest in the Brechas Vacas Trust. The remaining 50% beneficial interest in the Brechas Vacas Trust held by the Brechas Vacas owners was subject to a new exclusive and irrevocable purchase option agreement (the "BV Option Agreement") dated January 3, 2012 granted in favour of MSA, and amended on December 19, 2013, June 24, 2016 and June 24, 2019. The option under the BV Option Agreement can be exercised by MSA at any time on or before June 26, 2022 and provides MSA with an irrevocable and exclusive right to purchase the remaining 50% beneficial interest in the Brechas Vacas Trust in exchange for a cash payment of US$735,000 in addition to the exclusive right to evaluate, prospect and explore the Brechas Vacas property.

On October 7, 2021, the Company, through MSA, has exercised its option to purchase the remaining 50% beneficial interest in the Brechas Vacas Trust, and has become the indirect owner of 100% of the Brechas Vacas property. The Brechas Vacas property represents one of the main properties in the Company's flagship Chita Valley Project. MSA has paid the required sum of US$735,000 to the Brechas Vacas owners representing the price to fully exercise the option, which was settled in Argentinean pesos.

The Brechas Vacas owners will retain a 0.6% Net Smelter Return ("NSR") royalty on the Brechas Vacas property with the Company having the option to purchase 0.3% of the 0.6% NSR royalty, at any time, for a one-time payment of US$400,000.

As at December 31, 2021, the Company had made aggregate cash payments totaling US$1,925,000 ($2,300,752) and also issued 629,000 common shares of the Company.

6. Mineral Properties (continued)

Minas de Pinto Property

On May 7, 2010, the Company, through MSA, entered into an Exploration Agreement including a Purchase Option (the "Initial Minas de Pinto Agreement") with the owners of the mining properties identified under the name of Proyecto Minas de Pinto, located in the Chita Valley in the Province of San Juan, Argentina. Included in Proyecto Minas de Pinto are the Arqueros, Don Marcos, Estrellita, Paulita, Paulita II, Pierina II, Pierina III, San Pablo, and San Urbano mining concessions.

Pursuant to the Minas de Pinto Agreement, the owners granted to the Company the irrevocable and exclusive right to evaluate, prospect and explore the properties using any method, and at the Company's sole discretion. In addition to the exploration rights, the owners granted to the Company an irrevocable and exclusive option to purchase a 100% ownership interest in the properties pursuant to certain terms and conditions stated in the Minas de Pinto Agreement. The Company made aggregate payments of US$252,500 by the respective due dates in accordance with the Minas de Pinto Agreement.

On April 22, 2014, the Minas de Pinto Owners settled the Minas de Pinto Trust and transferred 100% of the mineral properties governed by the Minas de Pinto agreement to the Minas de Pinto Trust. The Company acquired a 50% interest in the Minas de Pinto Trust for total consideration of US$417,500 with the first payment due upon signing and the final payment due May 7, 2018.

The remaining 50% beneficial interest in the Minas de Pinto Trust held by the Minas de Pinto Owners was subject to a new exclusive and irrevocable purchase option agreement (the “Option”) granted in favour of MSA. The Option provides MSA with an irrevocable and exclusive right to purchase the remaining 50% beneficial interest in the Minas de Pinto Trust in addition to the exclusive right to evaluate, prospect and explore the Minas de Pinto properties for consideration of US$1,335,000 payable at any time on or before May 7, 2019.

On May 8, 2017, the Company and the Minas de Pinto Owners signed an addendum to extend the period in which the Company can acquire the remaining 50% beneficial interest by exercising the Option prior to November 7, 2020. The addendum modified the payment schedule and increased the total amount to be paid to US$417,500.

On May 4, 2020, upon exercise of the Option discussed above, MSA entered into a Transfer Agreement, pursuant to which MSA acquired an additional 15% interest in the Minas de Pinto Trust in exchange for aggregate cash payments of US$400,000, payable in eight semi-annual payments of US$50,000 starting on May 7, 2020 until November 7, 2023. Furthermore, the parties entered into a second addendum to the Option, which would allow MSA to purchase the remaining 35% interest in the Minas de Pinto Trust by paying US$935,000 on or before April 7, 2024.

6. Mineral Properties (continued)

Minas de Pinto Property (continued)

The following table summarizes the payments made and outstanding related to the Minas de Pinto property:

	$US	Status
Initial Exploration Agreement	$ 252,500	Paid
Minas de Pinto Trust- 50% interest	417,500	Paid
Minas de Pinto Trust- 15% interest [(1)]	300,000	Paid
Minas de Pinto Trust- 15% interest [(1)]	100,000	Outstanding
Total Payments	$ 970,000	
Minas de Pinto Trust (Outstanding)	$ 100,000	

[(1)] The aggregate payments of US$400,000 represents the consideration to be paid to acquire the additional 15% interest in the Minas de Pinto Trust.

As at March 31, 2023, the Company was in compliance with their staggered payments schedule. Payments related to the Transfer Agreement that are outstanding, but not yet overdue, amount to US$100,000 ($135,360), which is repayable during the year ended December 31, 2023. Subsequent to the period ended March 31, 2023, the Company made a payment of USD$50,000 ($66,988) (note 13).

Trust Agreement with Landowners

On December 5, 2022, the Company signed a "Trust Agreement" with landowners in the Chita Valley Project, which includes the Chita Property, the Brachas Vacas Property, and the Minas de Pinto Property. The Trust Agreement grants the purchase option of the property for a cash payment of US$1,500,000 (the "Purchase Price") during a term of 15 years, which can be paid at any time during the life of the Trust Agreement. The Purchase Price turns into an obligation if an "Acceleration Event" occurs, such as a confirmation by the Ministry of Mining of the Province of San Juan approving the feasibility study of the Chita Valley Project. To maintain the purchase option in good standing, the Company must comply with the following staggered payment (the "Maintenance Payments"): from year one to year five, annual payments of US$20,000; from year six to year ten, annual payments of US$40,000; and from year eleven to year fifteen, annual payments of US$100,000. The Maintenance Payments are in addition to the Purchase Price and are required until the Company's satisfaction of the Purchase Price. After the end of each five-year tranche, the Company must demonstrate a minimum annual investment of US$1,000,000 under the "Mineral Properties" asset, as disclosed in its annual consolidated financial statements.

7. Issued Capital

The Company is authorized to issue an unlimited number of common shares and an unlimited number of preferred shares, issuable in series.

During the period ended March 31, 2023 and the year ended December 31, 2022, the Company did not issue any common shares.

8. Stock Option Plan

On November 29, 2011 a new form of stock option plan (the "2011 Plan") was approved by the shareholders at the annual and special meeting of shareholders held that day. The 2011 Plan is a rolling stock option plan. Options to purchase up to 10% of the total number of Company's shares issued and outstanding at the date of any grant are issuable pursuant to the 2011 Plan. The 2011 Plan is a rolling plan as the number of options which may be granted pursuant to the 2011 Plan will increase as the number of the Company's shares, which are issued and outstanding, increases. If an option expires or is otherwise terminated for any reason, the number of the Company's shares in respect of that expired or terminated option shall again be available for the purposes of the 2011 Plan. Pursuant to the policies of the Exchange, the shareholders of the Company are required to approve, on a yearly basis, stock option plans which have a rolling plan ceiling. Options issued under the 2011 Plan are non-assignable and non-transferable and may be granted for a term not exceeding ten years. The 2011 Plan is administered by the Company's board of directors (the "Board of Directors") or a committee established by the Board of Directors for that purpose (the "Committee"). The 2011 Plan may be amended, subject to applicable regulatory and shareholder approval, or terminated by the Board of Directors or the Committee at any time, but such amendment or termination will not alter the terms or conditions of any option awarded prior to the date of such amendment or termination. Any option outstanding when the 2011 Plan is amended or terminated will remain in effect until it is exercised or expires or is otherwise terminated in accordance with the provisions of the 2011 Plan. The 2011 Plan provides that other terms and conditions, including vesting provisions, may be attached to a particular stock option at the discretion of the Board of Directors or the Committee, provided that, if required by any stock exchange on which the shares of the Company trades, options issued to consultants which provide investor relations activities must vest in stages over not less than 12 months with no more than one-quarter of the options vesting in any three-month period. All option grants are to be evidenced by the execution of an option agreement between the Company and the optionee which shall give effect to the provisions of the 2011 Plan. Options may be granted under the 2011 Plan only to directors, officers, employees and other service providers of the Company subject to the rules and regulations of applicable regulatory authorities and any Canadian stock exchange upon which the Company's shares may be listed or may trade from time to time.

8. Stock Option Plan (continued)

The aggregate number of the Company's shares which may be reserved for issuance to any one individual under the 2011 Plan within any 12 month period shall not exceed 5% of the Company's shares issued and outstanding at the date of the grant (on a non-diluted basis). Further, the aggregate number of the Company's shares which may be reserved for issuance under the 2011 Plan: (a) to any consultant to the Company shall not exceed 2% of the number of the Company's shares issued and outstanding on the date of the grant (on a non-diluted basis) and (b) to all employees or consultants who provide investor relations activities shall not exceed 2% of the number of the Company's shares issued and outstanding on the date of the grant (on a non-diluted basis). In the event an optionee ceases to be a service provider or employee of the Company (other than by reason of death), the vested stock options will expire on the earlier of the expiry date stated in the option agreement executed in respect of such grant and one year following the date of termination. In the event of death of an optionee, all options will be automatically exercisable by the personal representatives of the optionee within, but only within, the period of one year next succeeding the optionee's death and prior to the expiry date of the option, whichever is sooner. The price at which an optionee may purchase a Company's share upon the exercise of an option will be as set forth in the option agreement executed in respect of such option and, in any event, will not be less than the market price of the Company's shares as of the date of the grant of the stock option (the "Grant Date") less any discounts from the market price allowed by the Exchange, subject to a minimum exercise price of $0.10. The market price of the Company's shares means the closing price on the last trading day immediately preceding the Grant Date. The Company's shares will not be issued pursuant to options granted under the 2011 Plan until they have been fully paid for.

i) Movements in stock options during the period:

	Number of Options	Weighted Average Exercise Price
Balance - January 1, 2022	1,846,750	$ 0.11
Options granted	3,060,000	0.30
Options expired	(30,750)	(0.15)
Balance - December 31, 2022	4,876,000	0.11
Options granted	2,450,000	0.30
Options expired	-	-
Balance - March 31, 2023	7,326,000	$ 0.25

8. Stock Option Plan (continued)

During the period ended March 31, 2023:

a) The Company granted 2,450,000 incentive stock options to certain directors, officers and employees of the Company. The stock options are exercisable at price of $0.30 per share, all of which shall vest one-quarter on January 9, 2023, one-quarter on June 9, 2023, one-quarter on January 9, 2024, and one-quarter on June 9, 2024, and shall be exerciseable for a period of five years from the date of issuance.

The fair value of these options was estimated at the grant date based on the Black-Scholes option pricing model, using the following weighted average assumptions:

Expected dividend yield	Nil
Risk-free interest rate	3.11%
Expected life	5.0 years
Expected volatility	104%*
Share price	$0.38
Exercise price	$0.30

*Based on volatility of comparable companies

The fair value of the granted stock options of $744,030 was estimated using the Black-Scholes option pricing model as the fair value of the services received could not be reliably measured. The fair value of the vested stock options during the period ended March 31, 2023 was $356,212.

During the year ended December 31, 2022:

b) The Company granted 3,060,000 incentive stock options, of which 2,480,000 were granted to directors and officers of the Company. The options are exercisable at a price of $0.30 per share, all of which shall vest as to one-quarter on February 11, 2022, one quarter on August 11, 2022, one-quarter on February 11, 2023, and one quarter on August 11, 2023, and shall be exercisable for a period of five years from the date of issuance.

The fair value of these options was estimated at the grant date based on the Black-Scholes option pricing model, using the following weighted average assumptions:

Expected dividend yield	Nil
Risk-free interest rate	1.70%
Expected life	5.0 years
Expected volatility	104%*
Share price	$0.24
Exercise price	$0.30

*Based on volatility of comparable companies

The fair value of the granted stock options of $540,824 was estimated using the Black-Scholes option pricing model as the fair value of the services received could not be reliably measured. The fair value of the vested stock options during the period ended March 31, 2023 was $37,845.

8. Stock Option Plan (continued)

ii) Stock options outstanding at the end of the period

Exercise Price	Options Vested	Options Unvested	Remaining Contractual Life (Years)	Expiry Date
$ 0.10	1,400,000	-	2.30	July 16, 2025
$ 0.15	416,000	-	2.87	February 12, 2026
$ 0.30	2,295,000	765,000	3.87	February 12, 2026
$ 0.30	612,500	1,837,500	4.78	January 9, 2028
	4,723,500	2,602,500	3.82	

As at March 31, 2023, 9,063,069 stock options are available for issuance at the discretion of the Company's Board of Directors pursuant to the Company's stock option plan.

Subsequent to the period ended March 31, 2023:

a) The Company granted an aggregate of 100,000 incentive stock options to certain directors of the Company. The options are exercisable at a price of $0.375 per share and shall vest immediately. The options have a term of five years.

b) The Company granted an aggregate of 5,300,000 incentive stock options, out of which an aggregate of 4,000,000 options were granted to certain directors and the Company's CEO. The options are exercisable at a price of $0.696 per share and shall vest as follows: one-quarter on May 11, 2023, one-quarter on November 11, 2023, one-quarter on May 11, 2024 and one-quarter on November 11, 2024. The options have a term of five years.

9. Related Party Transactions and Balances

During the period ended March 31, 2023, the Company incurred the following related party transactions:

i) Transactions

a) A total salary of $67,827 (2022 - $55,613) was charged by the Company's current CEO. These amounts have been expensed to professional fees.

b) A total of $11,000 of accounting and regulatory compliance fees (2022 - $11,000) and $6,000 of CFO fees (2022 - $6,000) was charged by an accounting firm in which the Company's CFO is a partner. These amounts have been expensed to professional fees.

c) A total of $14,250 of professional fees (2022 - $13,379) and $192 (2022 - $Nil) of mineral property exploration expenses were charged by the Company's current Vice-President (Exploration). These amounts have been capitalized to mineral properties.

9. Related Party Transactions and Balances (continued)

ii) Period-end balances

a) As at March 31, 2023, accounts payable and accrued liabilities included $16,045 (December 31, 2022 - $74,351) payable to the Company's current CEO.

b) As at March 31, 2023, accounts payable and accrued liabilities included $26,095 (December 31, 2022 - $33,915) payable to an accounting firm in which the Company's CFO is a partner.

Amounts owing to related parties are non-interest bearing and have no repayment terms.

10. Financial Instruments

Fair Values

The carrying amounts for the Company's cash and cash equivalents, accounts payable and accrued liabilities, other liabilities, and trust acquisition payable approximate their fair values because of the short-term nature or immaterial interest rate risk of/for these items.

The Company's risk exposures and the impact on the Company's financial instruments are summarized below:

Credit Risk

Credit risk is the risk that one party to a financial instrument will fail to meet its obligations and cause a financial loss. The Company is not exposed to any significant credit risk as at March 31, 2023. The Company's maximum exposure is limited to its cash as presented in the consolidated statements of financial position. The Company's cash and cash equivalents are on deposit with highly rated financial institutions in Canada and Argentina. The Company's exposure to and management of credit risk has not changed materially from that of the prior year.

Liquidity Risk

Liquidity risk is the risk that an entity will not be able to meet its financial obligations as they come due. The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. As at March 31, 2023, the Company has current assets of $4,986,264 (December 31, 2022 - $3,582,698) and current liabilities of $1,913,387 (December 31, 2022 - $928,657). The Company has a working capital balance as at March 31, 2023 of $3,072,877 (December 31, 2022 - $2,654,041). All of the Company's current financial assets and liabilities, with the exception of the current portion of trust acquisition payable, have contractual maturities of less than 30 days and are subject to normal trade terms. The Company's exposure to and management of liquidity risk has not changed materially from that of the prior year.

10. Financial Instruments (continued)

Market Risk

Market risk is the risk that changes in market prices and interest rates will affect the Company's net earnings or the value of financial instruments. These risks are generally outside the control of the Company. The objective of the Company is to mitigate market risk exposures within acceptable limits, while maximizing returns. In order to mitigate these risks, the Company invests in financial instruments with carrying maturities and interest rates based on the Company's expected working capital requirements. The Company's market risk consists of risks from changes in foreign exchange rates, interest rates and market prices that affect its financial liabilities, financial assets and future transactions.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows from a financial instrument will fluctuate due to changes in market interest rates. The Company has significant cash balances and it has no interest-bearing debt. The Company's exposure to interest rate risk is minimal as it does not hold any investments or debt that is subject to interest rate fluctuations. The Company's exposure to and management of interest rate risk has not changed materially from that of the prior year.

Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows from the Company's operations will fluctuate due to changes in foreign exchange rates. The Company has cash and cash equivalents and accounts payable and accrued liabilities denominated in Argentinean Pesos (AR$). The carrying value of these items may change due to fluctuations in foreign exchange rates. The Company's obligations pursuant to the various mineral property agreements are denominated in United States Dollars (US$). As the Company ordinarily raises capital through the issuance of common shares and warrants in Canadian Dollars, the Company is exposed to risk due to fluctuations in the foreign exchange rate between the United States Dollar and the Canadian Dollar and between the Argentinean Peso and the United States Dollar. The Company's exposure to and management of foreign currency risk has not changed materially from that of the prior year.

Sensitivity Analysis

As at March 31, 2023, cash and cash equivalents includes AR$19,034,156 and US$2,417,815, accounts payable and accrued liabilities includes AR$226,093,220 and trust acquisition payable includes US$100,000.

At March 31, 2023, if the Canadian Dollar had weakened (strengthened) 10 percent against the United States Dollar with all other variables held constant, the net loss for the period would have been $313,670 higher (lower). If the Canadian Dollar had weakened (strengthened) 10 percent against the Argentinean Peso with all other variables held constant, the net loss for the year would have been $52,069 lower (higher). If the Canadian Dollar had weakened (strengthened) 10 percent against the Argentinean Peso with all other variables held constant, the other comprehensive loss for the period would have been $2,934,044 lower (higher).

11. Commitments

On January 25, 2022, the service agreement with the Vice-President (Exploration) was renewed for a monthly fee of US$3,500 until January 25, 2023.

Subsequent to the period ended March 31, 2023, the Company entered into a service agreement with a new Vice-President (Exploration) for a monthly fee of US$4,000. The service agreement will remain in full force and effect indefinitely. The service agreement can be terminated by either party by giving the other party thirty (30) days written notice or by a mutual agreement between the parties.

Additional commitments related to the Company's mineral properties are disclosed in note 6.

12. South32 Limited Agreement

Earn-in Agreement

The Earn-in Agreement grants to South32 the right to acquire up to a 50.1% direct interest in MSA at the end of the earn-in period.

Under the Earn-in Agreement, South32 will provide up to $14 million in capital contributions to MSA over a period of 4 years, as follows: (i) not less than $3.5 million by December 31, 2020; (ii) not less than an aggregate of $7 million by December 31, 2021; (iii) not less than an aggregate of $10.5 million by December 31, 2022; and (iv) not less than an aggregate of $14 million by December 31, 2023. South32 has the right to withdraw at the end of each year. Once South32 has complied with its funding obligations, South32 may exercise its right to acquire a 50.1% direct interest in MSA by electing to subscribe for 10% of MSA's shares, in consideration for its funding, and acquire the remaining 40.1% of MSA's shares from MAI for a consideration of $14 million.

During the period ended March 31, 2023, MSA received payments translated for financial purposes at the period end exchange rate of $4,200,731 (2022 - $1,270,465) related to the third tranche payments. As at March 31, 2023, South32 invested a total of $15,562,748 (US$11,971,762) (2022 - $9,272,458 (US$7,177,844)) to the Earn-in Agreement. These payments have been deferred as a liability and represents a portion of the funding that will form the consideration for South32's investment in MSA, should South32 exercise its right to acquire a 50.1% direct interest in MSA as discussed above.

During the period ended March 31, 2023, the Company announced South32 will fund Year 4 exploration program at the Chita Valley Project. South32 intends to fund the $9,100,000 Year 4 exploration budget and program.

Shareholders' Agreement

Upon the exercise of South32's right to acquire a 50.1% direct interest in MSA, the Company and South32 will sign a Shareholders' Agreement to govern the management and operation of MSA and, if warranted, further exploration, development and exploitation of the Chita Valley Project. The Shareholders' Agreement provides for the following phases.

12. South32 Limited Agreement (continued)

Prefeasibility Study Election – "PFS funding"

South32 may undertake to complete a prefeasibility study ("PFS"), in which case it shall be entitled to subscribe for 50.1% of MSA's shares and shall have the right to acquire an additional 19.9% in MSA as described below exercisable on completion of the PFS.

If South32 has elected to fund a PFS at the end of the earn-in period, then, on or before the fifth anniversary of that election, South32 must deliver a PFS that complies with National Instrument 43-101 and CIM Definition Standards on Mineral Resources and Reserves by funding a minimum amount of $55 million less any amount contributed during the earn-in period. Upon delivering the PFS, South32 may either elect to (i) pay to MAI $20 million to acquire 19.9% of MSA's shares or (ii) fund a bankable feasibility study ("BFS"), in which case it shall be entitled to subscribe for 19.9% of MSA's shares (such that in either case South32 shall, following the relevant election, own 70% of MSA's shares and Minsud shall own 30% of such shares).

If South32 opts to fund neither the BFS nor to purchase MSA's shares from MAI, its ownership in MSA will be reduced to 49.0% and MAI's interest shall be 51%.

Bankable Feasibility Study Election – "BFS funding"

If South32 has elected to fund a BFS, as long as such BFS is delivered on or before the third anniversary of that election and with effect from the BFS's date of approval by the Board of Director of MSA, South32 will have the sole, exclusive and irrevocable right to subscribe for, be issued and to acquire an additional 10% of the shares of MSA such that, in aggregate, it will hold 80% of the shares. If the BFS is delivered by South32 after the date which is the fourth anniversary but on or before the fifth anniversary of such election, the additional MSA shares to be issued and subscribed or acquired by South32 will be reduced to 5%. In this case, the aggregated participation will be 75%. If the BFS is delivered by South32 after the date which is the fifth anniversary but on or before the sixth anniversary of such election, South32's interest in MSA will remain at 70%. South32 must deliver a BFS that complies with National Instrument 43-101 and the CIM Definition Standards on Mineral Resources and Reserves.

Purchase Election

If South32 has elected to purchase MSA's shares from MAI at the end of the earn-in period, each party shall be obliged to contribute to approved annual programs and budgets in proportion to its participating interest. If a party does not elect to contribute, it will be diluted on a straight-line basis. In the case that the Company is reduced to less than ten percent (10%), it will be entitled to a two percent (2%) net smelter returns royalty on the Project in exchange for its remaining interest in MSA, pursuant to the terms of a royalty agreement.

12. South32 Limited Agreement (continued)

Purchase Election (continued)

In the five years following the purchase by South32 from MAI of MSA shares (pursuant to the elections referred to above), MAI will have a one-time right, exercisable by notice to South32, to elect not to contribute to the approved annual program and budget and to suspend dilution of its equity interest in MSA for the duration of such program while it seeks a third party to acquire its interest in MSA (the "sale period"). During the sale period, South32 will contribute 100% to any approved program and budget but, should Minsud fail to find a third-party buyer for its interest, the Company will have the right to claw back its participation as at the beginning of the sale period by paying 1.5 times the amount of the funding contributed by South32 during that period. Dilution will otherwise be applied retrospectively. Any shareholder holding at least 20% participation has a right of first refusal to match any third-party proposal.

13. Subsequent Events

i) On April 13, 2023, South32 has exercised its earn-in right to acquire a 50.1% ownership interest in Minera Sud Argentina S.A., Minsud's indirect Argentinian subsidiary that holds and operates the flagship Chita Valley Project.

In accordance with the terms of the earn-in agreement dated November 1, 2019, as amended between South32 and Minsud, South32 had the right to exercise its Earn-In Right upon advancing initial capital contributions to MSA of no less than C$14 million (the "South32 Initial Capital Contribution") for a period of four years in order to fund MSA's exploration programs. South32 advanced the South32 Initial Capital Contribution within a period of three years and has, in accordance with the Earn-In Agreement, exercised its Earn-In Right to acquire 50.1% of MSA.

Completion of South32's acquisition of 50.1% of the shares in MSA shall take place on the earlier of: (i) the completion of the Year 4 annual exploration program; and (ii) February 14, 2024.

At the time of Completion, MAI. and South32 will enter into a shareholders' agreement to govern the management and operation of MSA which will include further exploration and, if economically feasible, the development and exploitation of the Chita Valley Project (the "Shareholders' Agreement"). Until Completion, MAI shall continue to manage and operate MSA and, therefore, the Chita Valley Project.

13. Subsequent Events (continued)

i) (continued)

As part of the exercise of the Earn-In Right the parties to the Earn-In Agreement have agreed to certain amendments to the Earn-In Agreement and the Shareholders' Agreement, including:

- The exercise of the Earn-In Right by South32 is confirmed and certain other optional earn-in rights in favour of South32 relating to the funding of a prefeasibility study and a bankable feasibility study are removed.
- MAI shall be entitled to elect, prior to Completion, whether South32's acquisition of the 50.1% stake in MSA will be effected by means of:
  (i) South32's subscription for MSA shares in consideration for the South32 Initial Capital Contribution (the "Cash In Option"); or
  (ii) a combination of a subscription for 10% of MSA shares combined with a sale of 40.1% of MSA shares from MAI to South32 (the "Cash Out Option").
- Previously, the Earn-In Agreement provided that on exercise of the Earn-In Right South32 would pay an amount of C$14 million to MAI (the "Transfer Price") which is in addition to the South32 Initial Capital Contribution. The amendments to the earn-In Agreement now provide that:
  (i) Whilst South32 has already committed to fund C$9.1 million for the Year 4 exploration program (of which C$2.6 million has already been contributed) 49.9% of the C$9.1 million Year 4 exploration program will now be funded by MAI by way of this amount being deducted from the Transfer Price;
  (ii) If MAI opts for the Cash Out Option, then South32 shall pay the balance of the Transfer Price to MAI on Completion and for a period of twenty-four (24) months from the date on which the Shareholders' Agreement is signed, and provided that MAI reinvests the balance of the Transfer Price in approved MSA programs and budgets, then MAI's 49.9% share in MSA shall not be diluted; and
  (iii) If MAI opts for the Cash In Option, then MAI will not be obliged to contribute any amount to an approved program and budget until the aggregate of the South32 Initial Capital Contribution and the amounts contributed and funded by South32 in respect of MSA approved programs and budgets following the South32 Initial Capital Contribution equals C$42 million.

ii) On April 27, 2023, the Company entered into a service agreement with a new Vice-President (Exploration) for a monthly fee of US$4,000. The service agreement will remain in full force and effect indefinitely. The service agreement can be terminated by either party by giving the other party thirty (30) days written notice or by a mutual agreement between the parties.

iii) Additional subsequent events are disclosed in note 6 and 8.