**Consolidated Financial Statements**

# Minsud Resources Corp.

**For the Years Ended December 31, 2024 and 2023**
(All amounts in Canadian Dollars unless otherwise noted)

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# INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Minsud Resources Corp.:

## *Opinion*

We have audited the consolidated financial statements of Minsud Resources Corp. and its subsidiaries (together the "Company"), which comprise the consolidated statements of financial position as at December 31, 2024 and 2023, and the consolidated statements of loss and comprehensive loss, consolidated statements of changes in equity and consolidated statements of cash flows for the years then ended, and notes to the consolidated financial statements, including material accounting policy information.

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

## *Basis for Opinion*

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

## *Material Uncertainty Related to Going Concern*

We draw attention to Note 2 c) in the consolidated financial statements, which describes conditions indicating that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

## *Key Audit Matters*

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the year ended December 31, 2024. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

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

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| Key audit matter | How our audit addressed the key audit matter |
|---|---|
| *Assessment of loss of control of subsidiary and accounting for subsequent ownership interest* | |
| Refer to note 5 | Our approach to addressing the matter involved the following procedures, among others: |
| On April 5, 2024, a controlling ownership interest in Minera Sud Argentina S.A. ("MSA") was obtained by another entity in accordance with the terms of an earn-in agreement. Prior to April 5, 2024, MSA was a subsidiary of the Company. Subsequent to that date and through December 31, 2024, the Company had a 49.9% ownership interest in MSA. This interest has been subsequently accounted for as an investment in an associate.<br><br>Note 5 of the consolidated financial statements describes the change of ownership interests in MSA during the year ended December 31, 2024.<br><br>The change of ownership interests in MSA required management judgment in assessing for loss of control of a subsidiary and in determining the subsequent accounting. In concluding that the Company had lost control of MSA and would subsequently account for the interest in MSA as an investment in an associate, management's key considerations included: (i) identifying that another entity holds the majority of MSA's voting rights; (ii) determining that the Company had an ability to nominate less than a majority of directors to the board of MSA; and, (iii) evaluating the decision-making processes at MSA.<br><br>We considered this a key audit matter due to the judgment exercised by management in determining that the Company had lost control of MSA on April 5, 2024 and subsequently had significant influence through December 31, 2024. This, in turn, led to a high degree of subjectivity in performing audit procedures to evaluate management's analysis of all facts and circumstances related to the change of ownership interests in MSA. | • Assessing the voting rights of MSA held by the Company with reference to the earn-in agreement, MSA Shareholders' Agreement and share register.<br>• Assessing the Company's ability to elect directors of MSA and validating the total number of directors, with reference to MSA's Shareholders' Agreement and share register.<br>• Reviewing agreements and other evidence as to any contractual or other arrangements in respect of ownership, decision-making, operations and governance amongst other entities, the Company, and MSA.<br>• Based on evidence obtained in other areas of the audit, evaluating whether there were any other facts and circumstances to suggest that the Company has other than significant influence over MSA. |

***Other Information***

Management is responsible for the other information. The other information comprises the information included in the Management's Discussion and Analysis filed with the relevant Canadian securities commissions.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit and remain alert for indications that the other information appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact in this auditor's report. We have nothing to report in this regard.

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

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

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

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

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

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Company as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

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

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

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

The engagement partner on the audit resulting in this independent auditor's report is Graeme L. Cocke.

Baker Tilly WM LLP

CHARTERED PROFESSIONAL ACCOUNTANTS

Vancouver, B.C.
April 28, 2025

# Minsud Resources Corp.

Consolidated Statements of Loss and Comprehensive Loss
For the Years Ended December 31, 2024 and 2023
(All Amounts in Canadian Dollars Unless Otherwise Noted)

| | 2024 | 2023 |
|---|---|---|
| **Expenses** | | |
| General and administrative | $ 45,941 | $ 159,834 |
| Marketing and communications | 13,217 | 18,389 |
| Professional and regulatory fees (note 11) | 893,838 | 751,552 |
| Share-based payments (note 9) | 1,862,316 | 5,170,267 |
| Taxes on ownership of subsidiary | 31,250 | 60,460 |
| Hyperinflation - monetary loss (note 3) | 489,840 | 2,980,425 |
| Write-off of VAT Credits | - | 791,824 |
| Interest income | (768) | (8,250) |
| Gain on disposition of property and equipment | - | (47,838) |
| Expense recoveries (note 17) | (1,697,676) | - |
| **Net Loss for the Year Before the Undernoted** | (1,637,958) | (9,876,663) |
| **Gain on disposition of controlling interest of MSA** (note 5) | 7,976,375 | - |
| **Share of income (loss) of MSA** (note 5) | 1,740,969 | - |
| **Net Income (Loss) for the Year Before Income Taxes** | 8,079,386 | (9,876,663) |
| **Income Taxes** | | |
| Current income tax expense (note 10) | - | (26,966) |
| **Net Income (Loss) for the Year** | 8,079,386 | (9,903,629) |
| **Other Comprehensive Income (Loss)** | | |
| Items that may be reclassified to profit and loss: | | |
| Currency translation adjustment (note 3) | 1,850,379 | (804,148) |
| Share of MSA currency translation adjustment (note 5) | 5,776,042 | - |
| **Comprehensive Income (Loss) for the Year** | $ 15,705,807 | $ (10,707,777) |
| **Net Income (Loss) per Share - basic** | $ 0.05 | $ (0.06) |
| **Net Income (Loss) per Share - diluted** | $ 0.05 | $ (0.06) |
| **Weighted Average Number of Common Shares Outstanding - basic** | 164,736,354 | 163,938,365 |
| **Weighted Average Number of Common Shares Outstanding - diluted** | 178,012,354 | 163,938,365 |
| **Net loss for the Year Attributable to:** | | |
| **Non-controlling interest** | $ (2,134) | $ (15,713) |
| **Equity shareholders of the Company** | 8,081,520 | (9,887,916) |
| | $ 8,079,386 | $ (9,903,629) |
| **Comprehensive Loss for the Year Attributable to:** | | |
| **Non-controlling interest** | $ (20,061) | $ (82,614) |
| **Equity shareholders of the Company** | 15,725,868 | (10,625,163) |
| | $ 15,705,807 | $ (10,707,777) |

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

# Minsud Resources Corp.

Consolidated Statements of Financial Position as at December 31
(All Amounts in Canadian Dollars Unless Otherwise Noted)

| | 2024 | 2023 |
|---|---|---|
| **Assets** | | |
| **Non-Current Assets** | | |
| Mineral properties (notes 7 and 17) | $ - | $ 27,375,612 |
| Property and equipment (note 6) | - | 391,571 |
| Investment in MSA (note 5) | 21,489,011 | - |
| | 21,489,011 | 27,767,183 |
| **Current Assets** | | |
| Cash and cash equivalents | 706,642 | 3,476,405 |
| Prepaid expenses and deposits | 30,117 | 94,085 |
| Input tax credits receivable | 49,594 | 370,017 |
| | 786,353 | 3,940,507 |
| | $ 22,275,364 | $ 31,707,690 |
| **Shareholders' Equity** | | |
| Issued capital (note 8) | 19,400,242 | 19,388,155 |
| Share-based payment reserve (note 9) | 13,077,248 | 11,232,606 |
| Cumulative translation reserve | 5,776,042 | (1,262,220) |
| Deficit | (16,318,574) | (24,400,094) |
| Equity attributable to shareholders of the Company | 21,934,958 | 4,958,447 |
| Non-controlling interest (note 2(b)) | - | 14,474 |
| | 21,934,958 | 4,972,921 |
| **Liabilities** | | |
| **Current Liabilities** | | |
| Accounts payable and accrued liabilities (note 11) | 310,553 | 2,482,157 |
| Other liabilities | 29,853 | 395,520 |
| Deferred exploration recovery (note 17) | - | 23,857,092 |
| | 340,406 | 26,734,769 |
| | $ 22,275,364 | $ 31,707,690 |

**Business of the Company** (note 1)
**Going Concern** (note 2(c))
**Commitments** (note 16)
**South 32 Limited Agreement** (note 17)
**Subsequent Events** (note 18)

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

Approved on behalf of the Board of Directors

Signed "Alberto F. Orcoyen" , Director  Signed "Paul Andersen" , Director

# Minsud Resources Corp.

Consolidated Statements of Changes in Equity
For the Years Ended December 31, 2024 and 2023
(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, 2024 | 164,090,694 | $ 19,388,155 | $11,232,606 | $ (1,262,220) | $(24,400,094) | $ 14,474 | $ 4,972,921 |
| Income (Loss) for the year attributable to shareholders of the Company | - | - | - | - | 8,081,520 | - | 8,081,520 |
| Loss for the year attributable to non-controlling interests | - | - | - | - | - | (2,134) | (2,134) |
| Other comprehensive income for the year | - | - | - | 7,644,348 | - | (17,927) | 7,626,421 |
| | 164,090,694 | 19,388,155 | 11,232,606 | 6,382,128 | (16,318,574) | (5,587) | 20,678,728 |
| Exercise of stock options (note 8) | 67,821 | 17,674 | (17,674) | - | - | - | - |
| Share-based payments (note 9) | - | - | 1,862,316 | - | - | - | 1,862,316 |
| Common shares issued to acquire remaining 0.37% interest of MSA (notes 2 and 8) | 790,000 | 19,685 | - | - | - | (19,685) | - |
| Effects of change in non-controlling interest (note 2(b)) | - | (25,272) | - | - | - | 25,272 | - |
| Effects of loss of contol of MSA(note 5) | - | - | - | (606,086) | - | - | (606,086) |
| Balance at December 31, 2024 | 164,948,515 | $ 19,400,242 | $13,077,248 | $ 5,776,042 | $(16,318,574) | $ - | $ 21,934,958 |

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

# Minsud Resources Corp.

Consolidated Statements of Changes in Equity
For the Years Ended December 31, 2024 and 2023
(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 year attributable to shareholders of the Company | - | - | - | - | (9,887,916) | - | (9,887,916) |
| Loss for the year attributable to non-controlling interests | - | - | - | - | - | (15,713) | (15,713) |
| Other comprehensive income for the year | - | - | - | (737,247) | - | (66,901) | (804,148) |
| | 163,890,694 | 19,328,842 | 6,121,122 | (1,262,220) | (24,400,094) | (48,746) | (261,096) |
| Exercise of stock options (note 9) | 200,000 | 122,533 | (58,783) | - | - | - | 63,750 |
| Share-based payments (note 9) | - | - | 5,170,267 | - | - | - | 5,170,267 |
| Effects of change in non-controlling interest (note 2(b)) | - | (63,220) | - | - | - | 63,220 | - |
| Balance at December 31, 2023 | 164,090,694 | $ 19,388,155 | $11,232,606 | $ (1,262,220) | $(24,400,094) | $ 14,474 | $ 4,972,921 |

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

# Minsud Resources Corp.

Consolidated Statements of Cash Flows
For the Years Ended December 31, 2024 and 2023
(All Amounts in Canadian Dollars Unless Otherwise Noted)

| | 2024 | 2023 |
|---|---|---|
| **Cash Provided By (Used In):** | | |
| **Operating Activities** | | |
| Net income (loss) for the year | $ 8,079,386 | $ (9,903,629) |
| Items not affecting cash flows from operating activities: | | |
| Hyperinflation - monetary loss | 489,840 | 2,980,425 |
| Gain on disposition of property and equipment | - | (47,838) |
| Items not affecting cash: | | |
| Share-based payments (note 9) | 1,862,316 | 5,170,267 |
| Share of income of MSA (note 5) | (1,740,969) | - |
| Write-off of VAT Credits | - | 791,824 |
| Gain on loss of control of MSA (note 5) | (7,976,375) | - |
| | 714,198 | (1,008,951) |
| Net changes in non-cash working capital: | | |
| Input tax credits receivable | (18,911) | (815,515) |
| Prepaid expenses and deposits | (28,203) | (91) |
| Accounts payable and accrued liabilities | (1,372,081) | 1,551,129 |
| | (704,997) | (273,428) |
| **Financing Activities** | | |
| Exercise of stock options | - | 63,750 |
| **Investing Activities** | | |
| Mineral property expenditures | (1,893,767) | (13,221,957) |
| Purchase of property and equipment (note 6) | (63,779) | (328,248) |
| Proceeds from deferred exploration recovery (note 17) | 1,423,558 | 14,466,922 |
| Cash of MSA derecognized on loss of control | (1,530,778) | - |
| Proceeds of disposition of property and equipment | - | 47,838 |
| Trust acquisition payments | - | (135,310) |
| | (2,064,766) | 829,245 |
| **Change in Cash and Cash Equivalents** | (2,769,763) | 619,567 |
| **Cash and Cash Equivalents - Beginning of Year** | 3,476,405 | 2,856,838 |
| **Cash and Cash Equivalents - End of Year** | $ 706,642 | $ 3,476,405 |
| **Cash and cash equivalents is comprised of:** | | |
| Cash | $ 706,642 | $ 3,439,031 |
| Cash equivalents | - | 37,374 |
| Total | $ 706,642 | $ 3,476,405 |
| **Supplemental Cash Flow Information** | | |
| Interest received | $ 768 | $ 8,250 |
| Fair value of stock options transferred from share-based payment reserves to share capital upon exercise | $ 17,674 | $ 53,502 |

The accompanying notes form an integral part of these 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 340 Richmond Street West, Toronto, Ontario, M5V 1X2.

As of December 31, 2024, the Company holds a 49.9% (2023 - 99.63%) ownership interest in Minera Sud Argentina S.A. ("MSA"), a company that is in the process of exploring its mineral resource properties located in Argentina. To date, MSA has not earned significant revenues and is considered to be in the exploration stage. See notes 5, 7 and 17 for further discussion of MSA and its resource properties.

## 2. Basis of Presentation and Going Concern

a) Statement of Compliance

The Company's consolidated financial statements have been prepared in accordance with IFRS Accounting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and interpretations issued by the IFRS Interpretations Committee. The policies applied in the Company's consolidated financial statements are based on IFRS effective for the year ended December 31, 2024. These consolidated financial statements were authorized for issuance by the Board of Directors of the Company on April 28, 2025.

b) Basis of Consolidation

These 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") from January 1, 2024 until close of the transaction with South32 on April 5, 2024, which resulted in MAI's interest in MSA being reduced to 49.9% (see notes 5 and 13).

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 immediately prior to acquisition) which includes an irrevocable covenant to not divest or encumber such shares. The put and call option agreement allowed the remaining 542,600 shares of MSA to be exchanged for 790,000 common shares of the Company at the option of either party. On April 4, 2024, the Company exercised the put and call option and issued 790,000 common shares of the Company in exchange for the remaining 542,600 shares of MSA.

As at December 31, 2024, MAI held 145,494,299 (December 31, 2023 - 144,951,699) of the 291,571,799 (December 31, 2023 - 145,494,299) outstanding common shares of MSA, representing an ownership interest of 49.90% (December 31, 2023 - 99.63%). As at December 31, 2023, the 542,600 shares of MSA not owned by MAI represented a non-controlling interest of 0.37%.

## 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.

When it has been determined that the Company has lost control of an investee, the Company derecognizes the asset and liabilities of the investee at their carrying amounts, derecognizes any non-controlling interest, reclassifies to profit or loss or transfers directly to retained earnings, any amounts included in OCI, recognizes any investment retained in the investee at fair value, and recognizes any resulting gain or loss within profit or loss.

## 2. Basis of Presentation and Going Concern (continued)

c) Going Concern

MSA has not established whether it's mineral properties contain resources or reserves that are economically recoverable. The ability of the Company to recover its investment in MSA is dependent upon the discovery of economically recoverable resources or reserves, the ability of the shareholders' of MSA 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 share of the exploration programs of MSA to the extend it wishes to avoid dilution of its ownership inerest in MSA, discharge its liabilities as they become due and generate positive cash flows from operations.

These 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 year ended December 31, 2024, the Company generated net income of $8,079,386 (2023 - net loss of $9,903,629) and as of that date, the Company's deficit was $16,318,574 (December 31, 2023 - $24,400,094). As at December 31, 2024, the Company has current assets of $786,353 (December 31, 2023 - $3,940,507) and current liabilities of $340,406 (December 31, 2023 - $26,734,769). The Company has working capital of $445,947 as at December 31, 2024 (December 31, 2023 - working capital deficit of $22,794,262).

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 conditions give rise to a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern. These 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 consolidated financial statements.

## 3. Material Accounting Policies

### Investments in Equity- Accounted Investees

The Company defines an associate as an entity over which it has significant influence, but not control or joint control, over the financial and operating policies. Following the issuance of a 50.1% ownership interest of MSA to South32 in connection with the Earn-in Agreement discussed in note 17, the Company was deemed to have lost control of MSA, but still retained significant influence due to its remaining 49.9% ownership interest of MSA as well as maintaining a presence on the Board of Directors of MSA. As it was determined the Company lost control of MSA in accordance with IFRS 10, Consolidated Financial Statements, but continued to have significant influence, the Company has accounted for its investment in MSA using the equity method under IAS 28, Investments in Assoicates and Joint Ventures. Following recognition of the investment in MSA at fair value as discussed in note 2(b), the carrying value of the Company's investment in MSA is increased or decreased at the end of each reporting period to recognize the Company's share of the profit or loss of MSA. The Company's share of the profit or loss and OCI of MSA is recognized in the statement of loss and comprehensive loss of the Company. In the event that any distributions are received from MSA, the Company's carrying value of the investment in MSA will be reduced by the amount of the distribution. Adjustments to the carrying amount may also be necessary for changes in the Company's proportionate interest in MSA arising from changes in MSA's other comprehensive income. Such changes include those arising from the revaluation of property, plant and equipment and from foreign exchange translation differences. The Company's share of those changes is recognised in the Company's other comprehensive income.

In determining if the investment in MSA is impaired, impairment losses are incurred if, and only if, there is objective evidence of impairment as a result of one or more events that occured after the intial recognition of the net investment (a "loss event") and that loss event (or events) has an impact on the future cash flows from the net investment that can be reliably estimated.

### Accounts Payable and Accrued Liabilities

Liabilities are recognized for amounts to be paid in the future for goods or services received, whether billed by the supplier or not.

Provisions are recognized when the Company has an obligation (legal or constructive) arising from a past event, and the costs to settle this obligation are both probable and able to be reliably measured.

### Mineral Properties

Costs incurred by the Company before obtaining the rights to explore a property are expensed. Subsequent to obtaining the rights to explore its mineral properties, the Company’s accounting policy is to capitalize mineral property costs relating to the acquisition of rights to explore including acquisition costs for mineral rights, topographical, geological, geochemical and geophysical studies, exploratory drilling, metallurgical testing, trenching, technical feasibility studies and other costs directly attributable to exploration projects, until such time as the properties are technically feasible or put into production, sold, determined not to be economically viable or abandoned.

## 3. Material Accounting Policies (continued)

**Mineral Properties** (continued)

Mineral properties are carried at cost less accumulated impairment losses, if any. The Company assesses the facts and circumstances and determines if there is an indication that the carrying amount of a mineral property may exceed its recoverable amount. One or more of the following facts and circumstances would give rise to the Company testing and evaluating mineral properties for impairment:

i) the period for which the entity has the right to explore in the specific area has expired during the period or will expire in the near future, and is not expected to be renewed.

ii) substantive expenditure on further exploration for and evaluation of mineral resources in the specific area is neither budgeted nor planned.

iii) exploration for and evaluation of mineral resources in the specific area have not led to the discovery of commercially viable quantities of mineral resources and the entity has decided to discontinue such activities in the specific area.

iv) sufficient data exists to indicate that, although a development in the specific area is likely to proceed, the carrying amount of the exploration and evaluation asset is unlikely to be recovered in full from successful development or by sale.

If there is an indication of impairment, the Company determines the recoverable amount of this asset by determining the asset's value in use or fair value less costs of disposal, and comparing this to the carrying amount as at the reporting date. If the carrying amount exceeds the recoverable amount, an impairment loss is recognized in profit or loss.

See note 7 with respect to the impairment of the La Rosita property.

### Property and Equipment

Property and equipment are stated at cost less accumulated depreciation and accumulated impairment losses, if any.

Depreciation is recognized so as to write off the cost of assets less their residual values over their useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at each year end, with the effect of any changes in estimated useful lives and residual values accounted for on a prospective basis.

Depreciation is calculated applying the following useful lives:

| | |
|---|---|
| Vehicles | 5 years on a straight-line basis |
| Office equipment and Other | 3 - 5 years on a straight-line basis |
| Facilities | 12.5 years on a straight-line basis |

## 3. Material Accounting Policies (continued)

### Property and Equipment (continued)

Gains and losses on disposals are determined by comparing the proceeds with the corresponding carrying amounts and are included in profit or loss.

The carrying values of property and equipment are reviewed for indicators of impairment at the end of each reporting period. If any such indication exists, the recoverable amount of the asset will be estimated. Where the carrying values exceed the estimated recoverable amount, the assets are written down to their recoverable amount, being the higher of their fair value less costs of disposal and their value in use. Fair value is the price at which the asset could be bought or sold in an orderly transaction between market participants. In assessing fair value in use, the estimated cash flows are discounted to their present value using a pre-tax discount rate that reflects the current market assessments of the time value of money and the risks specific to the asset.

**Income Taxes**

Income taxes comprises current and deferred tax. Income tax is recognized in profit or loss except to the extent that it relates to items recognized directly in equity or other comprehensive income, in which case the income tax is also recognized directly in equity or other comprehensive income.

Current tax is the expected tax payable on the taxable income for the year, using enacted rates at the end of the reporting period, and any adjustment to tax payable in respect of previous years. Current tax assets and liabilities are only offset if a legally enforceable right exists to offset the amounts and the Company intends to settle on a net basis, or to realize the asset and settle the liability simultaneously.

Deferred taxes are recognized using the liability method on temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. However, the deferred taxes are not recognized if they arise from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred taxes are determined using tax rates (and laws) that have been enacted or substantially enacted by the reporting date and are expected to apply when the related deferred tax asset is realized or the deferred tax liability is settled.

A deferred tax asset is recognized to the extent that it is probable that future taxable profits will be available against which the temporary difference 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.

Deferred tax is provided on temporary differences arising on investments in subsidiaries, associates and jointly controlled entities, except where the timing of the reversal of the temporary difference is controlled by the Company and it is probable that the temporary difference will not reverse in the foreseeable future.

## 3. Material Accounting Policies (continued)

### Foreign Currency Translation

The consolidated financial statements are presented in Canadian dollars. The functional currency of the Company and its subsidiary MAI is the Canadian dollar. The functional currency of MAI's associate, MSA, is the Argentine Peso ("AR$").

Transactions denominated in foreign currencies are initially recorded in the functional currency using exchange rates in effect at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency using exchange rates prevailing at the end of the reporting period. All exchange gains and losses are included in the consolidated statement of loss and comprehensive loss.

For the purpose of presenting consolidated financial statements, the assets and liabilities of MSA are expressed in Canadian Dollars using exchange rates prevailing at the end of the reporting period. Income and expense items are translated at exchange rates prevailing at the end of the reporting period, unless exchange rates fluctuated significantly during that period, in which case the exchange rates at the dates of the transactions are used. Exchange differences arising, if any, are recognized in other comprehensive loss and reported as cumulative translation reserve in shareholders' equity. The cumulative amount of the exchange differences recognized in other comprehensive loss and accumulated as cumulative translation reserve in shareholders' equity has been reclassified from equity to profit or loss upon disposal of MSA.

Foreign exchange gains or losses arising from a monetary item receivable from or payable to a foreign operation, the settlement of which is neither planned nor likely to occur in the foreseeable future and which, in substance, is considered to form part of the net investment in the foreign operation, are recognized in other comprehensive loss.

See also the discussion of Hyperinflation below.

## 3. Material Accounting Policies (continued)

### Hyperinflation

During the year ended December 31, 2024, the annual rate of inflation for Argentina, as reported by the Banco Central de la Republica Argentina, was 117.80% (2023 - 211.40%). Therefore, Argentina remains a hyper-inflationary economy. The functional currency of MSA is the Argentine Peso. The Company has prepared these consolidated financial statements on the historical cost approach within IAS 29.

IAS 29 applies to the financial statements of an entity whose functional currency is the currency of a hyperinflationary economy. The designation of an economy as hyperinflationary involves the assessment of several factors and requires the Company to make certain estimates and judgments, such as the assessment of historic inflation rates and anticipation of future trends. Changes in such estimates may significantly impact the carrying value of the Company's non-monetary assets or liabilities, and items of profit or loss that are subject to hyper-inflationary adjustments, and the related gains and losses within the consolidated statements of loss and comprehensive loss.

The application of hyperinflation accounting requires restatement of MSA's non-monetary assets and liabilities, shareholders' equity and comprehensive loss items from the transaction date when they were first recognized into the current purchasing power which reflects a price index current at the end of the reporting period before being included in the consolidated financial statements. To measure the impact of inflation on its financial position and results, the Company has elected to use the Retail Price Index (Indice de Precios al Consumidor or "IPC"). The IPC has been recommended by the Government Board of the Argentine Federation of Professional Councils of Economic Sciences ("FACPCE").

As a result of the change in the IPC during the year, MSA recognized a loss of $489,840 (2023 - $2,980,425), to adjust transactions recorded during the year into a measuring unit current as of December 31, 2024. The level of the IPC at December 31, 2024 was 7,694 (2023 - 3,533), which represents an increase of 118% over the IPC as at December 31, 2023.

For the year ended December 31, 2024, the currency translation adjustment was a gain of $1,850,379 (2023 - a loss of $804,148).

### Share Purchase Warrants

From time-to-time, the Company may issue Units as a means of raising capital. Ordinarily, each Unit contains one common share of the Company and a whole, or fraction of, a share purchase warrant. The Company allocates the proceeds from each Unit to the common share and warrant components based on their relative fair value using market value of the Company's common shares to determine the fair value of the share component, and the Black-Scholes option pricing model to determine the value of the warrants. Transaction costs arising on the issue of Units are recognized in equity as a reduction of the proceeds allocated to issued capital and warrants on a pro-rata basis. The fair value of warrants is recorded in share-based payment reserve.

## 3. Material Accounting Policies (continued)

### Earnings (Loss) Per Share

Earnings (loss) per share is computed by dividing the loss for the year by the weighted average number of common shares outstanding during the year, including contingently issuable shares which are included when the conditions necessary for issuance have been met. Diluted earnings per share is calculated in a similar manner, except that the weighted average number of common shares outstanding is increased to include potentially issuable common shares from the assumed exercise of common share purchase options, if dilutive. During the year ended December 31, 2023, all the outstanding stock options were anti-dilutive, and as such are excluded from the computation of diluted loss per share.

### Decommissioning, Restoration and Similar Liabilities

The Company recognizes a provision for statutory, contractual, constructive or legal obligations, including those associated with the reclamation of mineral properties when those obligations result from the acquisition, construction, development or normal operation of the assets. Initially, a provision for decommissioning costs is recognized at the present value of management's best estimate of expenditure required to settle the present obligation at the reporting date. Upon initial recognition of the liability, the corresponding decommissioning cost is added to the carrying amount of the related asset and the cost is amortized as an expense over the economic life of the asset using either the unit-of-production method or the straight-line method, as appropriate. Following the initial recognition of the decommissioning costs, the carrying amount of the liability is increased for the passage of time and adjusted for changes to the adjusted risk-free rate, amount or timing of the underlying cash flows needed to settle the obligation.

As of the date of these consolidated financial statements, the Company has no material decommissioning, restoration and similar liabilities.

## 3. Material Accounting Policies (continued)

### Share-Based Payments

The Company has a share option plan for its directors, officers, employees and selected consultants as described in note 9. Each awarded grant of options is considered as a single tranche with its own vesting period and grant date fair value. Fair values of each tranche are measured using the Black-Scholes option pricing model. Share-based payment expense is recognized over the tranche's vesting period by increasing share-based payment reserves based on the number of awards expected to vest. Any consideration paid on exercise of share options is credited to share capital. The amount included in share-based payment reserves resulting from share-based payments is transferred to share capital if the options are exercised.

Share-based payments granted to non-employees are measured at the fair value of goods received unless that cannot be reasonably estimated in which case the fair value of the equity instrument is used.

### Financial Instruments

***i) Classification and measurement of financial assets and financial liabilities***

Financial instruments are classified into three measurement categories on initial recognition: fair value through profit and loss ("FVTPL"), fair value through other comprehensive income ("FVOCI"), or amortized cost. Investments in equity instruments are required to be measured by default at FVTPL, unless the Company elects into an irrevocable option for equity instruments to report changes in fair value as FVOCI.

Classification and measurement of financial assets is dependent on the Company's business model for managing the financial assets and related contractual cash flows.

Financial assets that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal outstanding, are generally measured at amortized cost at each subsequent reporting period. All other financial assets are measured at their fair values at each subsequent reporting period, with any changes recorded as FVTPL or FVOCI (which designation is made as an irrevocable election at the time of recognition).

## 3. Material Accounting Policies (continued)

**Financial Instruments** (continued)

***i) Classification and measurement of financial assets and financial liabilities*** (continued)

The following table summarizes the classification of the Company's financial assets and liabilities:

| Asset/Liability | Classification |
|---|---|
| Cash and cash equivalents | Amortized cost |
| Other liabilities | Amortized cost |
| Accounts payable and accrued liabilities | Amortized cost |

The Company reclassifies financial assets when and only when its business model for managing those assets changes. Financial liabilities are not reclassified.

Transaction costs that are directly attributable to the acquisition or issuance of a financial asset or financial liability classified as subsequently measured at amortized cost or at FVOCI are included in the fair value of the instrument on initial recognition. Transaction costs for financial assets and financial liabilities classified at FVTPL are expensed in profit or loss as incurred.

Financial instruments subsequent measured at amortized cost utilize the effective interest rate method. The effective interest rate is the rate that discounts estimated future cash payments through the expected life of the financial asset or liability, or where appropriate, a shorter period.

***ii) Impairment***

There is a three-stage expected credit loss ("ECL") model for determining impairment of financial assets. The expected credit loss model does not require the occurrence of a triggering event before the Company recognizes credit losses. The Company is required to recognize ECLs upon initial recognition of a financial asset and to update the quantum of ECLs at the end of each reporting period to reflect changes to credit risk of the financial asset.

**New IFRS Standards and Amendments**

The Company adopted the amendments to IAS1, Presentation of Financial Statements, that pertain to the classificiation of liabilities based on the contractual arrangements in place at the reporting date. The amendments clarify that the classification of liabilities as current or non-current is based solely on a company's right to defer settlement at the reporting date. The amendments also clarify that the transfer of a company's own equity instruments is regarded as settlement of a liability, unless it results from the exercise of a conversion option meeting the definition of an equity instrument. The amendments were effective as of January 1, 2024 and did not have any impact on the Company's financial statements.

## 3. Material Accounting Policies (continued)

**Future Accounting Standards, Amendments and Interpretations Issued But Not Yet Adopted**

***i) IFRS 18 Presentation and disclosure in financial statements ("IFRS 18")***

In April 2024, the IASB issued IFRS 18 which replaces IAS 1. IFRS 18 introduces new requirements to improve the reporting of financial performance and give investors a better basis for analyzing and comparing companies. Specifically, it introduces:

- three defined categories for income and expenses (operating, investing and financing) and requires companies to provide new defined subtotals, includein operating profit;
- enhanced transparency of management-defined performance measures requiring companies to disclose explanations of those company-specific measures related to the statement of income; and
- enhanced guidance on how companies group information in the financial statements, including guidance on whether information is included in the financial statements or is included in the notes.

IFRS 18 is effective for annual reporting periods beginning on or after January 1, 2027, with early adoption permitted. The Company is assessing the potencial impat of this new standard.

***ii) IFRS 9 Financial Instruments ("IFRS 9")***

Amendments to IFRS 9 have been issued with the intention to clarify the date of recognition and derecognition of some financial assets and liabilities. The amendments are effective January 1, 2026, with early adoption permitted. The Company is currently evaluating the impact of these amendments on the financial statements.

## 4. Critical Accounting Judgments, Estimates and Assumptions

The preparation of these 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 forfeiture rates. 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.

## 4. Critical Accounting Judgments, Estimates and Assumptions (continued)

### Critical Judgments

***i) Impairment of mineral properties***

Mineral properties are tested for impairment when facts or circumstances suggest that the carrying amount of an exploration and evaluation asset may exceed its recoverable amount. When facts and circumstances suggest that the carrying amount exceeds the recoverable amount, 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.

***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 (until the loss of control of MSA - see note 5). 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.

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

**Critical Judgments** (continued)

***iv) Deferred exploration recoveries***

Management considered the facts and circumstances surrounding the receipt of deferred exploration recoveries (note 12), in determining that it represented a liability to the Company. The payment represented a portion of the funding that formed 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 continued to operate the Chita Valley Project, this payment for the future sale of a controlling interest in MSA was considered to be a present obligation of the Company as at December 31, 2023. The acquisition of 50.1% of MSA by South32 occurred during the quarter ended June 30, 2024.

***v) Significant influence***

When a Company has an intestment in another entity, it must determine whether it has control or significicant influence over the entity, or neither, in order to properly account for its investment in the entity. Upon the loss of control of MSA, management determined the Company has significant influence as it pertains to its investment in MSA. The Company continues to own 49.9% of MSA, and is a party to a shareholder agreement that allows the Company to nominate two of five Directors of MSA.

***vi) Fair value of investment of MSA***

Upon the loss of control of MSA, management determined the Company has significant influence as it pertains to its investment in MSA. As such, the Company accounts for its investment in MSA using the equity method which requires the Company to recognize its investment in MSA at fair value upon loss of control. The fair value of the Company's investment in MSA has been based on an agreement between the two arm's length parties. As MSA is a private company the Company's determination of fair value requires significant judgement.

## 5. Investment in MSA

Upon the issuance of a 50.1% ownership interest in MSA to South32 on April 5, 2024, the Company no longer controlled MSA and, as such, ceased consolidating MSA with the accounts of the Company. On April 5, 2024, the Company and South32 entered into a Shareholders' Agreement with respect to the operation and governance of MSA. In addition to retaining a 49.9% ownership in MSA, the Company has the ability to nominate two of the five directors of MSA, with both factors being indicators of the Company having significant influence over MSA. As the Company has significant influence over MSA, the Company has accounted for its investment in MSA using the equity method. The Company has recorded its initial investment in MSA at the time of its loss of control at its fair value of $13,972,000, the agreed upon amount between the Company and South32 as arm's length parties, as established by the Shareholders' Agreement of MSA. Movement in the Company's investment in MSA for the period ended December 31, 2024 is as follows:

| | 2024 |
|---|---|
| Carrying value - January 1, 2024 | $ - |
| Recognition of investment in MSA at fair value | 13,972,000 |
| Share of net income | 1,740,969 |
| Share of other comprehensive income | 5,776,042 |
| Carrying value - December 31, 2024 | $ 21,489,011 |

## 5. Investment in MSA (continued)

Presented below is summarized financial information of MSA for the period from April 5, 2024 to December 31, 2024.

| | December 31, 2024 |
|---|---|
| Cash and cash equivalents | $ 2,587,845 |
| Other current assets | 1,465,221 |
| Total current assets | 4,053,066 |
| Non-current assets | 67,278,916 |
| Current liabilities | 3,166,041 |
| Non-current liabilities | - |
| Net assets | $ 68,165,941 |
| Net income | $ 3,488,916 |
| Other comprehensive income | 11,575,235 |
| Net income and comprehensive income | $ 15,064,151 |

Upon measuring the Company's retained investment in MSA upon its loss of control, the Company recognized a gain of $7,976,375 which was calculated as follows.

| | |
|---|---|
| Derecognition of assets of MSA | $ (44,907,128) |
| Derecognition of liabilities of MSA | 40,217,591 |
| Derecognition of items of accumulated other comprehensive income related to investment in MSA | 606,086 |
| Recognition of liability due to MSA | (29,853) |
| Recognition of deferred expense recovery | (601,029) |
| Recognition of investment in MSA at historical cost | 17,552,526 |
| Gain on loss of control of MSA before the undernoted | 12,838,193 |
| Difference between historical cost and fair value of investment in MSA | (3,580,526) |
| Impairment of mineral property expenditures paid for by Canadian entities | (1,281,292) |
| Gain on loss of control of MSA | $ 7,976,375 |

## 6. Property and Equipment

| As at December 31, 2024 | Vehicles | Office Equipment | Facilities | Other | Total |
|---|---|---|---|---|---|
| **Cost** | | | | | |
| Balance, beginning of year | $ 221,257 | $ 225,323 | $ 110,143 | $ 10,798 | $ 567,521 |
| Additions | 63,779 | - | - | - | 63,779 |
| Currency translation adjustments | (6,844) | (6,970) | (3,407) | (319) | (17,540) |
| Effects of hyperinflation | 124,489 | 118,655 | 58,000 | 5,438 | 306,582 |
| Derecognition upon loss of control of MSA[(1)] | (402,681) | (337,008) | (164,736) | (15,917) | (920,342) |
| **Balance, end of year** | - | - | - | - | - |
| **Accumulated depreciation** | | | | | |
| Balance, beginning of year | (75,017) | (84,188) | (15,057) | (1,688) | (175,950) |
| Depreciation | (17,765) | (17,018) | (3,844) | (789) | (39,416) |
| Currency translation adjustments | 2,680 | 2,962 | 547 | 69 | 6,258 |
| Effects of hyperinflation | (39,254) | (44,333) | (7,927) | (890) | (92,404) |
| Derecognition upon loss of control of MSA[(1)] | 129,356 | 142,577 | 26,281 | 3,298 | 301,512 |
| **Balance, end of year** | - | - | - | - | - |
| **Net carrying amount as at December 31, 2024** | $ - | $ - | $ - | $ - | $ - |

Depreciation expense has been capitalized to mineral properties.

(1) Upon loss of control of MSA, the Company derecognized the cost and accumulated depreciation of MSA's property and equipment.

## 6. Property and Equipment (continued)

| As at December 31, 2023 | Vehicles | Office Equipment | Facilities | Other | Total |
|---|---|---|---|---|---|
| **Cost** | | | | | |
| Balance, beginning of year | $ 237,861 | $ 255,312 | $ 149,660 | $ 1,989 | $ 644,822 |
| Additions | 221,886 | 75,959 | 17,599 | 12,804 | 328,248 |
| Disposals | (113,745) | - | - | - | (113,745) |
| Currency translation adjustments | (421,042) | (373,113) | (197,223) | (12,094) | 1,003,472) |
| Effects of hyperinflation | 296,297 | 267,165 | 140,107 | 8,099 | 711,668 |
| **Balance, end of year** | 221,257 | 225,323 | 110,143 | 10,798 | 567,521 |
| **Accumulated depreciation** | | | | | |
| Balance, beginning of year | (115,601) | (64,330) | (8,275) | (378) | (188,584) |
| Depreciation | (62,546) | (72,099) | (16,638) | (2,531) | (153,814) |
| Disposals | 85,170 | - | - | - | 85,170 |
| Currency translation adjustments | 126,053 | 129,453 | 21,949 | 2,091 | 279,546 |
| Effects of hyperinflation | (108,093) | (77,212) | (12,093) | (870) | (198,268) |
| **Balance, end of year** | (75,017) | (84,188) | (15,057) | (1,688) | (175,950) |
| **Net carrying amount as at December 31, 2023** | $ 146,240 | $ 141,135 | $ 95,086 | $ 9,110 | $ 391,571 |

Depreciation expense has been capitalized to mineral properties.

## 7. Mineral Properties

| | San Juan Province Chita Valley | | | | |
|---|---|---|---|---|---|
| **As at December 31, 2024** | **Chita** | **Brechas Vacas** | **Minas de Pinto** | **Other** | **Total** |
| Balance, beginning of year | $ 15,794,414 | $ 7,753,825 | $ 3,827,373 | $ - | $ 27,375,612 |
| Exploration activities [1] | 2,101,229 | 482,412 | 37,446 | - | 2,621,087 |
| Currency translation adjustments | (505,672) | (242,231) | (114,605) | - | (862,508) |
| Effects of hyperinflation | 8,115,810 | 4,010,589 | 1,942,226 | - | 14,068,625 |
| Derecognized upon loss of control of MSA[2] | (24,624,664) | (11,752,393) | (5,544,467) | - | (41,921,524) |
| Impairment of amounts paid by the Company[2] | (881,117) | (252,202) | (147,973) | - | (1,281,292) |
| **Balance, end of year** | $ - | $ - | $ - | $ - | $ - |

| | San Juan Province Chita Valley | | | | |
|---|---|---|---|---|---|
| **As at December 31, 2023** | **Chita** | **Brechas Vacas** | **Minas de Pinto** | **Other** | **Total** |
| Balance, beginning of year | $ 14,906,432 | $ 8,366,134 | $ 3,764,402 | $ 13,324 | $ 27,050,292 |
| Property rights/exploration agreements | 7,407 | 7,407 | 1,112,247 | - | 1,127,061 |
| Exploration activities [1] | 8,703,310 | 3,265,572 | 859,610 | - | 12,828,492 |
| Write-offs | - | - | - | (16,519) | (16,519) |
| Currency translation adjustments | (23,586,616) | (12,140,294) | (5,458,985) | (8,499) | (41,194,394) |
| Effects of hyperinflation | 15,763,881 | 8,255,006 | 3,550,099 | 11,694 | 27,580,680 |
| **Balance, end of year** | $ 15,794,414 | $ 7,753,825 | $ 3,827,373 | $ - | $ 27,375,612 |

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

[2] Upon loss of control of MSA, the Company derecognized the carrying value of all capitalized mineral property expenditures. This includes amounts paid for by MSA and by the Company.

### 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.

## 7. 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.

The capitalized value of aggregate expenditures on the Chita property were derecognized upon the Company's loss of control of MSA on April 5, 2024(see note 5).

**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.

The capitalized value of aggregate expenditures on the Brechas Vacas property were derecognized upon the Company's loss of control of MSA on April 5, 2024(see note 5).

## 7. 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.

## 7. 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)] | 400,000 | Paid |
| Minas de Pinto Trust- 35% interest | 935,000 | Paid |
| Total Payments | $ 2,005,000 | |
| **Minas de Pinto Trust (Outstanding)** | $ - | |

[(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.

During the year ended December 31, 2023, the Company completed the payments related to the acquisition of the 15% beneficial interest in the Minas de Pinto Trust. Furthermore, on November 15, 2023, MSA exercised the option to purchase the remaining 35% beneficial interest in the Minas de Pinto Trust and made the corresponding payment of US$935,000, following which it became the indirect owner of a 100% interest in the Minas de Pinto property through its 100% beneficial interest in the Minas de Pinto Trust. Upon acquisition of the 100% beneficial interest in the Minas de Pinto Trust, the Trust was dissolved and the properties were transferred to MSA, resulting in direct ownership of the properties by MSA.

The capitalized value of aggregate expenditures on the Minas de Pinto property were derecognized upon the Company's loss of control of MSA on April 5, 2024(see note 5).

### 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.

### La Rosita Property

On January 15, 2024, the Company signed an agreement to transfer MSA's ownership of the properties constituting the La Rosita project to an arm's length acquirer. In exchange for the transfer, MAI will receive a 2.5% net smelter royalty ("NSR") on the La Rosita project. The acquirer has the option to acquire 50% of the NSR for US$1,500,000.

## 8. Issued Capital

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

On April 4, 2024, the Company issued 790,000 common shares in exchange for the remaining 542,600 shares of MSA pursuant to the Company's exercise of the put and call option discussed in note 2(b).

On February 5, 2024, the Company issued 67,821 common shares to a former officer pursuant to the cashless exercise of 100,000 stock options.

During the year ended December 31, 2023, the Company issued 200,000 common shares for gross proceeds of $63,750 pursuant to the exercise of stock options.

## 9. 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.

## 9. 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.

During the year ended December 31, 2023, the Company amended its stock option plan to allow for option holders to exercise options on a "Net Exercise" basis. Net Exercise is a method of option exercise under which the option holder does not make any payments to the issuer for the exercise of their options and receives on exercise a number of shares equal to the intrinsic value (current market price less the exercise price) of the option valued at the current market price. Under TSX Venture Policy 4.4, the current market price must be the 5-day volume weighted average trading price prior to option exercise. Net Exercise may not be utilized by persons performing investor relations services.

i) Movements in stock options during the year:

| | Number of Options | Weighted Average Exercise Price |
|---|---|---|
| Balance - January 1, 2023 | 4,876,000 | $ 0.23 |
| Options granted | 8,050,000 | 0.59 |
| Options exercised [(1)] | (200,000) | (0.33) |
| Balance - December 31, 2023 | 12,726,000 | 0.45 |
| Options granted | 650,000 | 0.80 |
| Options exercised [(2)] | (100,000) | (0.30) |
| Balance - December 31, 2024 | 13,276,000 | $ 0.47 |

[(1)] The market price of the Company's shares on the date the options were exercised during the year ended December 31, 2023 was $0.75 per share.

[(2)] The market price of the Company's shares on the date the options were exercised during the period ended December 31, 2024 was $1.04 per share.

## 9. Stock Option Plan (continued)

During the year ended December 31, 2024:

a) The Company granted 650,000 incentive stock options to certain directors of the Company. The stock options are exercisable at price of $0.80 per share, all of which shall vest one-quarter on June 5, 2024, one-quarter on December 5, 2024, one-quarter on June 5, 2025, and one-quarter on December 5, 2025, 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 assumptions:

| | |
|---|---|
| Expected dividend yield | Nil |
| Risk-free interest rate | 3.07% |
| Expected life | 5.0 years |
| Expected volatility | 238% |
| Share price | $1.00 |
| Exercise price | $0.80 |

The fair value of the granted stock options of $645,813 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 year ended December 31, 2024, was $476,931 (2023 - $Nil).

During the year ended December 31, 2023:

b) 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 assumptions:

| | |
|---|---|
| Expected dividend yield | Nil |
| Risk-free interest rate | 3.22% |
| Expected life | 5.0 years |
| Expected volatility | 235% |
| Share price | $0.38 |
| Exercise price | $0.30 |

The fair value of the granted stock options of $924,489 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 year ended December 31, 2024, was $77,674 (2023 - $846,829).

## 9. Stock Option Plan (continued)

c) 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.

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

| | |
|---|---|
| Expected dividend yield | Nil |
| Risk-free interest rate | 3.09% |
| Expected life | 5.0 years |
| Expected volatility | 230% |
| Share price | $0.650 |
| Exercise price | $0.375 |

The fair value of the granted stock options of $64,535 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 year ended December 31, 2024 was $Nil (2023 - $64,545).

d) 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.

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

| | |
|---|---|
| Expected dividend yield | Nil |
| Risk-free interest rate | 2.94% |
| Expected life | 5.0 years |
| Expected volatility | 230% |
| Share price | $1.00 |
| Exercise price | $0.696 |

The fair value of the granted stock options of $5,258,000 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 year ended December 31, 2024 was $1,229,377 (2023 - $4,028,858).

## 9. Stock Option Plan (continued)

e) The Company granted an aggregate of 200,000 incentive stock options to consultants of the Company. The options are exercisable at a price of $0.872 per share and shall vest as follows: one-quarter on August 4, 2023, one-quarter on February 4, 2024, one-quarter on August 4, 2024 and one-quarter on February 4, 2025. The options have a term of five years.

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

| | |
|---|---|
| Expected dividend yield | Nil |
| Risk-free interest rate | 3.87% |
| Expected life | 5.0 years |
| Expected volatility | 232% |
| Share price | $1.09 |
| Exercise price | $0.872 |

The fair value of the granted stock options of $216,298 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 year ended December 31, 2024 was $78,334 (2023 - $134,532).

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 | - | 0.54 | July 16, 2025 |
| $ 0.15 | 416,000 | - | 1.12 | February 12, 2026 |
| $ 0.30 | 2,810,000 | - | 2.12 | February 12, 2026 |
| $ 0.30 | 2,450,000 | - | 3.02 | January 9, 2028 |
| $ 0.38 | 50,000 | - | 3.32 | April 27, 2028 |
| $ 0.70 | 5,300,000 | - | 3.36 | May 11, 2028 |
| $ 0.87 | 150,000 | 50,000 | 3.59 | August 4, 2028 |
| $ 0.80 | 325,000 | 325,000 | 4.43 | June 5, 2029 |
| | 12,901,000 | 375,000 | 2.72 | |

As at December 31, 2024, 3,218,851 stock options are available for issuance at the discretion of the Company's Board of Directors pursuant to the Company's stock option plan.

## 10. Income Taxes

a) Income Taxes

| | 2024 | 2023 |
|---|---|---|
| Loss before income taxes | $ 8,079,386 | $ (9,876,663) |
| Statutory rate (combined federal and provincial rate) | 26.5% | 26.5% |
| Expected income tax recovery at statutory rate | 2,141,037 | (2,617,316) |
| Non-deductible expenses | 1,290,390 | 2,542,693 |
| Non-taxable gains for accounting purposes | (2,575,096) | - |
| Share issuance costs incurred | - | (1,458) |
| Deduction of prior year losses | (212,473) | - |
| Effects of foreign exchange differences | - | (73,257) |
| Change in deferred tax assets not recognized | (643,858) | 176,304 |
| Net current income and deferred tax expense | $ - | $ 26,966 |

b) Deferred Income Tax Assets

The tax effects of temporary differences that give rise to the deferred income tax assets at December 31, 2024 and 2023 are as follows:

| | 2024 | 2023 |
|---|---|---|
| Non-capital loss carry forwards | $ 895,481 | $ 1,408,058 |
| Transaction costs | 225,399 | 242,364 |
| Mineral properties | 339,542 | 453,858 |
| | 1,460,422 | 2,104,280 |
| Deferred tax assets not recognized | (1,460,422) | (2,104,280) |
| Net deferred tax assets | $ - | $ - |

The Company has a deferred tax asset balance of $Nil as at December 31, 2024 (2023 - $Nil) and an income tax provision of $Nil (2023 - $26,966).

## 10. Income Taxes (continued)

c) Non-Capital Losses

The Company has a non-capital losses carried forward balance of approximately $3,379,173 (2023 - $5,190,279) available to reduce future years' taxable income. These losses will expire as follows:

| | Canada | Argentina | Total |
|---|---|---|---|
| 2027 | - | - | - |
| 2028 | - | - | - |
| 2029 | - | - | - |
| 2030 | - | - | - |
| 2031 | 160,184 | - | 160,184 |
| 2032 | 159,800 | - | 159,800 |
| 2033 | 156,952 | - | 156,952 |
| 2034 | 322,587 | - | 322,587 |
| 2035 | 204,940 | - | 204,940 |
| 2036 | 254,033 | - | 254,033 |
| 2037 | 208,759 | - | 208,759 |
| 2038 | 131,999 | - | 131,999 |
| 2039 | 319,761 | - | 319,761 |
| 2040 | 328,690 | - | 328,690 |
| 2041 | 236,148 | - | 236,148 |
| 2042 | 339,016 | - | 339,016 |
| 2043 | 556,304 | - | 556,304 |
| 2044 | - | - | - |
| | $ 3,379,173 | $ - | $ 3,379,173 |

## 11. Related Party Transactions and Balances

During the year ended December 31, 2024, the Company incurred the following related party transactions:

i) Transactions

a) Total salaries and fees of $180,043 (2023 - $359,540) was charged by the Company's former CEO. These amounts have been expensed to professional fees.

b) A total of $47,400 of accounting and regulatory compliance fees (2023 - $48,500) and $24,000 of CFO fees (2023 - $24,000) was charged by a company in which the Company's CFO is an officer. These amounts have been expensed to professional fees.

c) A total of $35,211 of professional fees (2023 - $47,295) and $Nil (2023 - $2,742) of mineral property exploration expenses were charged by the Company's former Vice-President (Exploration). Prior to the loss of control of MSA, these amounts have been capitalized to mineral properties. Following the loss of control, these amounts have been expensed as professional fees.

d) A company providing the services of Vice-President (Exploration) to the Company charged fees of $58,000 (2023 - $Nil) and other consulting fees of $81,257 (2023 - $Nil).

ii) Year-end balances

a) As at December 31, 2024, accounts payable and accrued liabilities included $21,311 (December 31, 2023 - $88,610) payable to the Company's former CEO.

b) As at December 31, 2024, accounts payable and accrued liabilities included $50,067 (December 31, 2023 - $14,390) payable to a company in which the Company's CFO is an officer.

c) As at December 31, 2024, accounts payable and accrued liabilities included $32,927 (December 31, 2023 - $Nil) payable to a company providing the services of Vice-President (Exploration) to the Company.

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

## 12. Management Compensation

Key management includes all directors (management and non-management directors), the Chief Executive Officer, the Chief Financial Officer and the Vice-President (Exploration). The compensation paid or payable to key management for services is shown below:

| | 2024 | 2023 |
|---|---|---|
| Salaries and fees | $ 344,653 | $ 524,288 |
| Share-based compensation | 1,465,000 | 3,819,279 |
| | $ 1,809,653 | $ 4,343,567 |

## 13. Financial Instruments

Fair Values

The carrying amounts for the Company's cash and cash equivalents, accounts payable and accrued liabilities and other liabilities 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 December 31, 2024. 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. 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 December 31, 2024, the Company has current assets of $786,353 (December 31, 2023 - $3,940,507) and current liabilities of $340,406 (December 31, 2023 - $26,734,769). The Company has working capital as at December 31, 2024 of $445,947 (December 31, 2023 - working capital deficit of $22,794,262). All of the Company's current financial assets and liabilities, 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.

Market Risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in market prices. Market risk is comprised of price risk, foreign currency risk and interest rate risk. 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 is not exposed to material price risk or interest rate risk on its financial instruments.

## 13. Financial Instruments (continued)

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 December 31, 2024 cash and cash equivalents includes US$483,224 and accounts payable and accrued liabilities includes US$89,073.

At December 31, 2024, 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 $56,714 lower (higher).

## 14. Capital Disclosures

The Company includes equity, comprised of issued capital, share-based payment reserves, cumulative translation reserve and deficit, in the definition of capital, which totaled $21,934,958 (December 31, 2023 - $4,958,446).

The Company’s objectives when managing capital are as follows:

(i) to safeguard the Company’s assets and ensure the Company’s ability to continue as a going concern;

(ii) to raise sufficient capital to finance its exploration and development activities on its mineral properties; and

(iii) to raise sufficient capital to meet its general and administrative expenditures.

## 14. Capital Disclosures (continued)

The Company manages its capital structure and makes adjustments to it, based on the general economic conditions, the Company's short-term working capital requirements, and its planned exploration and development program expenditure requirements. As the Company is in the exploration and evaluation stage, its principal source of capital is from the issuance of common shares. In order to achieve its objectives, the Company expects to spend its existing working capital and raise additional funds as required.

The Company does not have any externally imposed capital requirements.

There were no changes to the Company's approach to capital management during the years ended December 31, 2024 and 2023.

## 15. Segment Reporting

A reportable segment is a distinguishable component of the Company that is engaged either in providing products or services (business segment), or in providing products or services within a particular economic environment (geographical segment), which is subject to risks and rewards that are different from those of other operating segments. Following the loss of control of MSA, the Company's only activity is its investment in MSA. Prior to the loss of control of MSA, the Company's only activity is the exploration of its mineral properties, and as such, it does not have distinguishable business segments to report. The Company has identified two geographical segments, Canada and Argentina.

The Company's non-current assets and net loss relate to the following areas:

| | As at December 31, 2024 | | | As at December 31, 2023 | | |
|---|---|---|---|---|---|---|
| | Canada | Argentina | Total | Canada | Argentina | Total |
| Non-current assets | $ - | $ 21,489,011 | $ 21,489,011 | $ - | $ 27,767,183 | $ 27,767,183 |
| Current assets | $ 786,353 | $ - | $ 786,353 | $ 139,730 | $ 3,800,777 | $ 3,940,507 |
| Non-current liabilities | $ - | $ - | $ - | $ - | $ - | $ - |
| Current liabilities | $ 340,406 | $ - | $ 340,406 | $ 118,268 | $ 26,616,501 | $ 26,734,769 |
| Working capital (deficiency) | $ 445,947 | $ - | $ 445,947 | $ 21,462 | $(22,815,724) | $ (22,794,262) |

| | Year Ended December 31, 2024 | | | Year ended December 31, 2023 | | |
|---|---|---|---|---|---|---|
| | Canada | Argentina | Total | Canada | Argentina | Total |
| Net income (loss) | $6,338,417 | $1,740,969 | $8,079,386 | $(5,656,988) | $(4,246,641) | $(9,903,629) |

## 16. Commitments

On April 27, 2023, the Company entered into a service agreement with a 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. On July 15, 2024, the Vice-President (Exploration) resigned.

On November 17, 2023, the Company entered into a service agreement for various administrative and regulatory tasks with a consultant for a monthly fee of US$3,500. The service agreement has a term of twelve months but can be terminated by either party by giving the other party sixty (60) days written notice or by a mutual agreement between the parties.

On July 10, 2024, the Company entered into a services agreement with a consultant for the position of Vice-President (Exploration) for a monthly fee of US$8,000 for a term of three months. Either party can terminate the agreement without consequence by giving 15 days advance notice to the other party. On October 1, 2024, this agreement was renewed for another three month period ending December 31, 2024. On January 1, 2025, this agreement was renewed for another six month period ending June 30, 2025.

On October 30, 2024, the Company entered into a services agreement with a consulting company (the "advisor") for the provision of certain strategic and financial advisory services for a monthly fee of US$6,000 for a term of twelve months. The agreement also includes various potential success or tail fees to be paid to the advisor in the event the Company enters into certain transactions during specified periods of time.

## 17. South32 Limited Agreement

On November 1, 2019, the Company, MAI, and MSA, signed an earn-in agreement (the "Earn-in Agreement") with South32 Aluminium (Holdings) Pty Ltd ("South32"), a wholly-owned subsidiary of South32 Limited, to explore the Chita Valley Project, located in the San Juan Province, Argentina (the "Project"). The Company, MAI, MSA and South32 are together referred to as the "parties".

South32 Limited is a globally diversified mining and metals company producing bauxite, alumina, aluminum, energy and metallurgical coal, manganese, nickel, silver, lead and zinc at its operations in Australia, Southern Africa and South America.

Earn-in Agreement

The Earn-in Agreement granted 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 was to 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.

In accordance with the terms of the Earn-In Agreement, 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 $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 on April 13, 2023, in accordance with the Earn-In Agreement, exercised its Earn-In Right to acquire 50.1% of MSA.

## 17. South32 Limited Agreement (continued)

Earn-in Agreement (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. One such amendment (the "Cash In Option") allows the Company to elect for South32's acquisition of the 50.1% stake in MSA to be effected by way of a subscription for shares of MSA in consideration for South32's Initial Capital Contribution. Pursuant to the Cash In Option, 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 $42 million.

On November 24, 2023, the Company exercised its Cash-In Option (and the acquisition of 50.1% ownership interest in MSA was expected to be completed on the earlier of (i) the completion of the Year 4 annual exploration program; and (ii) February 14, 2024. (the "Completion"). The date of Completion was deferred to April 5, 2024 as agreed upon by the parties.

As at December 31, 2024, South32 had invested a total of $44,435,963 (US$33,115,809) (December 31, 2023 - $26,069,236 (US$19,790,310)) to the Earn-in Agreement. These payments were deferred as a liability and represented a portion of the funding that formed the consideration for South32's investment in MSA.

On April 5, 2024, South32 was issued a 50.1% interest in MSA in consideration for the South32 Initial Capital Contribution pursuant to the Earn-in Agreement. At the same time, South32 and MAI entered 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. MAI will not be obligated to contribute any amount to an approved program and budget for the Chita Valley Project until the later of (i) the date on which the aggregate of the South32 Initial Capital Contribution and future amounts contributed and funded by South32 in respect of MSA approved programs and budgets equals $42 million and (ii) April 5, 2026.

During the year ended December 31, 2024, the Company recognized expense recoveries of $1,096,647 related to payments made by South32 pursuant to the Earn-in Agreement to cover certain operational expenses of the Company. These amounts had been recorded as deferred exploration recoveries in the statement of financial position in prior periods.

## 18. Subsequent Events

i) A subsequent event is disclosed in note 15.