Western Metallica Resources Corp.

Condensed Interim Consolidated Financial Statements

For the three and nine months ended September 30, 2024 and 2023

(Expressed in Canadian Dollars)
(Unaudited)

NOTICE OF NO AUDITOR REVIEW OF CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

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

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

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

Western Metallica Resources Corp.

Condensed Interim Consolidated Statements of Financial Position

Expressed in Canadian Dollars

As at:	Note	**September 30, 2024 (Unaudited) $**	December 31, 2023 (Audited) $
ASSETS			
Current			
Cash and cash equivalents	3	**402,587**	2,280,406
Amounts receivable	9	**62,875**	199,597
Prepaid expenses		**89,785**	46,857
Total current assets		**555,247**	2,526,860
Long-term			
Restricted cash		**10,000**	10,000
Reclamation deposit		**105,412**	76,488
Total assets		**670,659**	2,613,348
LIABILITIES			
Current liabilities			
Accounts payable and accrued liabilities	9,10	**258,315**	296,700
Total liabilities		**258,315**	296,700
SHAREHOLDERS' EQUITY			
Common shares	6	**9,420,480**	9,420,480
Warrant reserve	7	**83,040**	401,491
Option reserve	7	**658,437**	646,179
Accumulated other comprehensive gain		**67,031**	-
Deficit		**(9,816,644)**	(8,151,502)
Total shareholders' equity		**412,344**	2,316,648
Total liabilities and shareholders' equity		**670,659**	2,613,348

Nature of operations and going concern	1
Commitments and contingencies	5,12
Subsequent events	13

These condensed interim consolidated financial statements were authorized for issue by the Board of Directors on November 28, 2024.

Approved on behalf of the Board of Directors:

Signed: *"Gregory Duras"* , Director

Signed: *"Joaquin Merino"* , Director

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

Western Metallica Resources Corp.

Condensed Interim Consolidated Statements of Loss and Comprehensive Loss

Expressed in Canadian Dollars (Unaudited)

	Note	Three months ended September 30, 2024 $	Three months ended September 30, 2023 $	Nine months ended September 30, 2024 $	Nine months ended September 30, 2023 $
Expenses					
Project evaluation expenses	5	**388,376**	1,701,430	**1,449,786**	2,689,695
Salaries and benefits	10	**54,612**	82,676	**207,943**	255,861
Consulting and management fees	10	**28,690**	84,968	**187,045**	242,426
Professional fees		**40,706**	51,667	**74,315**	148,426
Share-based compensation	7	**1,133**	88,370	**12,258**	95,730
Office and general		**19,174**	32,064	**104,435**	68,601
(Loss) for the period before other items		**(532,691)**	(2,041,175)	**(2,035,782)**	(3,541,669)
Other items					
Interest income		**16,807**	28,815	**33,089**	113,593
Foreign exchange gain		**7,589**	2,962	**19,100**	14,951
Net loss		**(508,295)**	(2,009,398)	**(1,983,593)**	(3,413,125)
Other comprehensive gain					
Translation adjustment		**67,031**	-	**67,031**	-
Total comprehensive loss		**(441,264)**	(2,009,398)	**(1,916,562)**	(3,413,125)
Basic and diluted (loss) per share		**$ (0.01)**	$ (0.03)	**$ (0.03)**	$ (0.06)
Weighted average number of common shares outstanding					
Basic and Diluted		**71,728,630**	63,032,978	**71,728,630**	59,619,041

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

Western Metallica Resources Corp.

Condensed Interim Consolidated Statements of Changes in Shareholders' Equity

Expressed in Canadian Dollars (Unaudited)

	Number of shares	Common Shares	Number of warrants	Warrant Reserve	Number of options	Option Reserve	Accumlated other comprehensive gain	Deficit	Shareholders' equity
	#	$	#	$	#	$	$	$	$
Balance, December 31, 2023	**71,728,630**	**9,420,480**	**8,330,206**	**401,491**	**6,100,000**	**646,179**	**-**	**(8,151,502)**	**2,316,648**
Share-based compensation	-	-	-	-	200,000	12,258	-	-	12,258
Warrants expired during the period	-	-	(7,930,206)	(318,451)	-	-	-	318,451	-
Translation adjustment	-	-	-	-	-	-	67,031	-	67,031
Net loss for the period	-	-	-	-	-	-	-	(1,983,593)	(1,983,593)
Balance, September 30, 2024	**71,728,630**	**9,420,480**	**400,000**	**83,040**	**6,300,000**	**658,437**	**67,031**	**(9,816,644)**	**412,344**

	Number of shares	Common Shares	Number of warrants	Warrant Reserve	Number of options	Option Reserve	Deficit	Shareholders' equity
	#	$	#	$	#	$	$	$
Balance, December 31, 2022	**51,728,630**	**8,120,480**	**17,877,576**	**2,207,346**	**4,580,000**	**622,452**	**(5,734,801)**	**5,215,477**
Shares issued for acquisition	20,000,000	1,300,000	5,000,000	109,500	-	-	-	1,409,500
Share-based compensation	-	-	-	-	2,050,000	95,730	-	95,730
Options expired during the period	-	-	-	-	(200,000)	(29,440)	29,440	-
Loss and comprehensive loss for the period	-	-	-	-	-	-	(3,413,125)	(3,413,125)
Balance, September 30, 2023	**71,728,630**	**9,420,480**	**22,877,576**	**2,316,846**	**6,430,000**	**688,742**	**(9,118,486)**	**3,307,582**

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

Western Metallica Resources Corp.

Condensed Interim Consolidated Statements of Cash Flows

Expressed in Canadian Dollars (Unaudited)

		Nine months ended September 30,	
		2024	**2023**
	Note	**$**	$
Cash (used in)/provided by:			
Operating activities			
(Loss) for the period		**(1,983,593)**	(3,413,125)
Items not involving cash:			
Acquisition of Consolidated Copper Corp.	7	**-**	1,321,269
Share-based compensation	7	**12,258**	95,730
Changes in non cash working capital		**55,409**	(271,290)
Net cash (used in) operating activities		**(1,915,926)**	(2,267,416)
Investing activities			
Short-term investment		**-**	4,000,000
Reclamation deposit		**(28,924)**	-
Cash received from Consolidated Copper Corp.		**-**	88,231
Net cash provided by investing activities		**(28,924)**	4,088,231
Net cash provided by financing activities		**-**	-
Change in cash and cash equivalents		**(1,944,850)**	1,820,815
Effect of foreign exchange rate fluction		**67,031**	-
Cash and cash equivalents, beginning of year		**2,280,406**	1,172,622
Cash and cash equivalents, end of period		**402,587**	2,993,437

See Note 3 for a breakdown of cash and cash equivalents.

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

1. NATURE OF OPERATIONS AND GOING CONCERN

Western Metallica Resources Corp. (the "Company", or "Western Metallica") was incorporated on September 28, 2020 as a Province of British Columbia registered corporation pursuant to the *Business Corporations Act of British Columbia*. The Company commenced trading as a Tier 2 Mining Issuer on the TSX Venture Exchange ("TSXV") on April 19, 2022 under the trading symbol "WMS".

The Company is currently engaged in the acquisition, exploration, and development of mineral properties in Spain and Peru. The head office and principal address of the Company is 93 Ridley Blvd., Toronto, Ontario, M5M 3L6.

The Company owns the following subsidiaries:

- A 100% interest in Western Metallica Corp., a company incorporated on September 18, 2018 as a Province of Ontario registered corporation pursuant to the *Business Corporations Act of Ontario*. Western Metallica Corp. owns 100% of Western Metallica Espana, a company incorporated on May 18, 2016 in Spain, which in turn owns 100% of Asminarq S.L. ("Asminarq"), a company incorporated on February 12, 2013 in Spain.
- A 100% interest in Consolidated Copper Corp., a company incorporated on September 20, 2022, as a Province of Ontario registered corporation pursuant to the *Business Corporations Act of Ontario*. Consolidated Copper Corp. owns 100% of Green Rock Copper SAC, a company incorporated on June 30, 2023 in Peru.

On August 10, 2023, the Company acquired 100% of the issued and outstanding shares of Consolidated Copper Corp. ("Consolidated Copper" or "CCC") in exchange for an aggregate consideration of (i) 20,000,000 common shares of the Company (the "Common Shares") and (ii) 5,000,000 common share purchase warrants of the Company (the "Warrant"), with each Warrant entitling the holder to acquire one Common Share at an exercise price of $0.10 until the earlier of: (i) the date that is one (1) year from the date of issuance, and (ii) within twenty (20) days of the Company providing such holder with written notice accelerating the Warrant expiry date, provided that that the daily volume weighted average price (or closing bid price on days when there are no trades) of the Common Shares on the TSX Venture Exchange (the "Exchange") is at least $0.15 for a minimum of twenty (20) consecutive trading days prior to such written notice from the Company being provided. As Consolidated Copper did not meet the definition of a business per IFRS 3, the acquisition was treated as an asset acquisition. See Note 4.

The business of exploring for minerals involves a high degree of risk and there can be no assurance that the current exploration programs will result in profitable operations.

The Company is in the process of exploring its mineral exploration properties and has not yet determined whether these properties contain mineral reserves that are economically recoverable. The recoverability of exploration and evaluation expenditures is dependent upon the establishment of a sufficient quantity of economically recoverable reserves, the ability of the Company to obtain necessary financing to complete the development and upon future profitable production or proceeds from the disposition of these assets.

Although the Company has taken steps to verify title to the properties on which it is conducting its exploration activities, these procedures do not guarantee the Company's title. Property title may be subject to government licensing requirements or regulations, social licensing requirements, unregistered prior agreements, unregistered claims, and non-compliance with regulatory and environmental requirements. The Company's assets may also be subject to increases in taxes and royalties, renegotiation of contracts, currency exchange fluctuations and restrictions, and political uncertainty.

As at September 30, 2024, the Company had continued losses, a working capital of $296,931 (December 31, 2023 - $2,230,160) and an accumulated deficit of $9,749,614 (December 31, 2023 - $8,151,502). The Company has a need for equity financing for working capital and exploration and development of its properties.

Expressed in Canadian Dollars (Unaudited)

Because of continuing operating losses, the Company's continuance as a going concern is dependent upon its ability to obtain adequate financing and to reach profitable levels of operation. It is not possible to predict whether financing efforts will be successful or if the Company will attain profitable levels of operation. The above factors indicate that a material uncertainty exists that cast significant doubt on the Company's ability to continue as a going concern.

These condensed interim consolidated financial statements have been prepared using accounting policies applicable to a going concern, which contemplates the realization of assets and settlement of liabilities in the normal course of operations. Accordingly, they do not give effect to adjustments that would be necessary should the Company be unable to continue as a going concern and therefore be required to realize its assets and liquidate its liabilities and commitments in other than the normal course of business and at amounts different from those in the accompanying financial statements. Such adjustments could be material.

Approval of the consolidated financial statements

These condensed interim consolidated financial statements of the Company for the three and nine months ended September 30, 2024 and 2023 were reviewed, approved and authorized for issue by the Board of Directors of the Company on November 28, 2024.

2. BASIS OF PRESENTATION

These unaudited condensed interim consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and Interpretations of the International Financial Reporting Interpretations Committee ("IFRIC") which the Canadian Accounting Standards Board has approved for incorporation into Part 1 of the Handbook of Chartered Professional Accountants of Canada applicable to the preparation of interim financial statements, including International Accounting Standard ("IAS") 34, Interim Financial Reporting. These condensed interim consolidated financial statements do not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the Company's annual financial statements as at and for the year ended December 31, 2023. In particular, the Company's significant accounting policies were summarized in Note 3 of the financial statements for the year ended December 31, 2023, and have been consistently applied in the preparation of these condensed interim consolidated financial statements. These unaudited condensed interim consolidated financial statements were prepared on a going concern basis.

3. CASH AND CASH EQUIVALENTS

	September 30, 2024	**December 31, 2023**
	$	**$**
Cash	402,587	365,406
Guaranteed investment certificate ("GIC"), bearing interest rate of prime -2.00%, redeemable anytime	-	1,915,000
Cash and cash equivalents	**402,587**	**2,280,406**

4. ACQUISITION OF CONSOLIDATED COPPER CORP.

The acquisition of Consolidated Copper Corp. ("Consolidated Copper" or "CCC") included its 100% owned subsidiary Green Rock Copper SAC ("Green Rock"). At the acquisition date, Green Rock held the options for the Caña Brava and the Turmalina projects. As Consolidated Copper did not meet the definition of a business per IFRS 3, the acquisition was treated as an asset acquisition. As part of the acquisition, the Company acquired working capital of $49,194. Acquisition costs, being the excess of the value of the shares issued over net assets, were $1,360,306. Details of the allocation of the estimated fair values of identifiable assets acquired and liabilities assumed and the price consideration are as follows:

Expressed in Canadian Dollars (Unaudited)

Consideration paid:		
The Company's common shares exchanged for CCC common shares		20,000,000
The Company's share price, August 10, 2023	$	0.065
Total common share consideration	$	1,300,000
5,000,000 warrants issued @ $0.10 exercise price (see Note 7)		109,500
Total consideration	**$**	**1,409,500**

The purchase price allocation is as follows:		
Acquisition costs	$	1,360,306
Cash and cash equivalents		88,117
Amounts receivable		1,944
Accounts payable		(40,867)
	$	**1,409,500**

5. PROJECT EVALUATION EXPENSES

The Company holds certain property interests for gold exploration in Asturias, Spain and for polymetallic exploration in the Autonomous Region of Andalucia, Spain.

a) Penedela Property

During 2019, the Company entered into an option agreement with Asminarq, to earn up to 100% of the rights to the Penedela Property. Asminarq is the company that currently owns the mining rights. The property is located in the west of Asturias, Spain, in the council area of Ibias, and was granted by the Asturian Mines (Minas de Asturias) authority to cover the exploration for gold, silver, lead and zinc.

On February 14, 2022, Western Metallica entered into a purchase agreement (the “Purchase Agreement”) with Asminarq, superseding the above-mentioned agreement whereby Western Metallica acquired 100% of Asminarq pursuant to the following terms:

- Payment from Western Metallica to the Asminarq shareholders in the amount of €105,000 ($147,420) upon signature of the Purchase Agreement, including €5,000 to extend the agreement (€13,000 ($19,330) paid in 2021 and €92,000 ($128,090) paid on March 4, 2022);
- The issuance of 2,000,000 post-share split Western Metallica common shares to the Asminarq shareholders (1,271,242 pre-share split Western Metallica common shares, issued on April 13, 2022);
- If Western Metallica completes a NI43-101-compliant resource of one million ounces of gold in a defined target area, Western Metallica will pay Asminarq shareholders €500,000, plus an additional €0.50 per additional ounce, over and above the one million ounces of gold, up to two million ounces of gold; and
- Asminarq shareholders will retain a 2% Net Smelter Return (“NSR”), of which 1% (half) of the NSR may be purchased by Western Metallica for €400,000 at any time.

On August 30, 2023, the prospecting license was granted to the Company for a period of three years expiring August 17, 2025.

Exploration expenditures incurred are detailed in the table below.

b) Berta Property

On September 16, 2019, the Berta Property prospecting license was requested from the Directorate general of Mining with the licensing fees being paid on September 19, 2019. The Company is waiting for the prospecting license to be submitted for public consultation which is expected to lead to the granting of the prospecting license. The property is located in the west of Asturias, Spain, in the council area of Ibias. No exploration expenditures have been incurred to date on the Berta property.

c) Sierra Alta Property

The Sierra Alta Project is in the "Navelgas Gold Belt" in Asturias, Spain. Emerita applied for the permit on November 18, 2013 and received notice that the property had been granted on July 8, 2015. The concession was valid for a three-year term and was renewable for equal and successive periods. An application for the permit to be extended was submitted and an extension was granted whereby the permit expires October 2025 and can be renewed upon expiration date.

On May 4, 2020, the Company entered into an option agreement (the "Option Agreement") with Emerita Resources Corp. ("Emerita"), pursuant to which Western Metallica held an option to acquire 55% of the Sierra Alta Gold Project (the "Sierra Alta Project").

On June 30, 2022, Western Metallica entered into an amendment (the "Extension") to the Option Agreement with Emerita, superseding the above-mentioned agreement whereby Western Metallica held an option to acquire 55% of the Sierra Alta Project pursuant to the following terms:

1. Issue 786,632 common shares of the Company to Emerita (issued on September 30, 2022);
2. Spend at least $500,000 in mineral exploration expenditures on the Sierra Alta Project prior to December 31, 2022 (all expenditures incurred prior to December 31, 2022); and
3. Entered into a binding joint venture agreement between the Company and Emerita.

On December 21, 2022, the Company acquired 55% of the Sierra Alta Property by fulfilling the terms of the Option Agreement and Extension.

The acquisition of the interest is a related party transaction as the CEO of the Company acts as the CFO of Emerita and a director of the Company is a director of Emerita.

d) Valledor Property

The Valledor Property is located in the west of Asturias, Spain, in the municipality of Allande. On September 30, 2019, the prospecting license was applied by the Company and was admitted. The public consultation process was completed in 2020 and the final approval of the prospecting license was granted on November 21, 2023 and expires November 21, 2026. No exploration expenditures have been incurred to date on the Valledor property.

e) Nueva Celti Property

The Nueva Celti Property is located in the autonomous region of Andalucia, Spain. On January 30, 2019, the application for the Nueva Celti prospecting license was registered with the Seville mining office in the municipality of Penaflor. The prospecting licence was granted December 21, 2021 and expires December 21, 2024.

The Company holds options for the Caña Brava Project in Peru.

f) Caña Brava Project

The Caña Brava Project is located in La Libertad Province in Peru. The copper-molybdenum project is comprised of certain exploration concessions.

Expressed in Canadian Dollars (Unaudited)

On August 21, 2024, the Company modified the option payment schedule for the Caña Brava Project to the following:

	Amount US$	Amount CAD$
Initial Payment	70,000	92,010
December 2023	30,000	40,250
June 2024	130,000	177,970
June 2025	150,000	202,485
June 2026	150,000	202,485
June 2027	400,000	539,960
June 2028	1,500,000	2,024,850
Total	**2,430,000**	**3,280,010**
Paid	(230,000)	(310,230)
Amount remaining	**2,200,000**	**2,969,780**

Future dated CAD$ amounts are based on the closing September 30, 2024 USD/CAD rate of 1.3499.

As of September 30, 2024, outstanding option payments totalling US$2,200,000 are due by June 2028. Upon completion of the option payments, the Company will own 100% of the Caña Brava Project and the original option holder will retain a 1.5% NSR of which 0.75% (half) of the NSR may be purchased by the Company for US$1,500,000 at any time.

g) Turmalina Project

On August 21, 2024, the Company announced that it dropped its interests in the Turmalina Project. Green Rock Copper S.A.C. and the Turmalina properties holders have confirmed in writing that no amounts are owed by the Company and/or its subsidiary in relation to the Turmalina Project, and that the Company and its subsidiary are released from any and all obligations or liabilities in relation to the Turmalina Project.

Project evaluation expenses are detailed in the following table:

		Peru		
Nine months ended September 30, 2024	**Spain**	**Turmalina**	**Caña Brava**	**Total**
Option payments	$ -	$ -	$ 177,970	$ 177,970
Labour	5,924	-	521,302	527,226
Technical	-	-	69,943	69,943
Project overhead costs	95,469	84,899	494,279	674,647
Total project evaluation expenses	**$ 101,393**	**$ 84,899**	**$ 1,263,494**	**$ 1,449,786**

	Spain				
Nine months ended September 30, 2023	**Penedela**	**Sierra Alta**	**Nueva Celti**	**Peru**	**Total**
Acquisition expense	$ -	$ -	$ -	$ 1,367,504	$ 1,367,504
Drilling	51,040	15,811	322,432	-	389,283
Labour	162,220	55,444	109,364	-	327,028
Technical	41,285	65,081	51,313	-	157,679
Project overhead costs	138,668	50,299	231,454	27,780	448,201
Total project evaluation expenses	**$ 393,213**	**$ 186,635**	**$ 714,563**	**$ 1,395,284**	**$ 2,689,695**

Expressed in Canadian Dollars (Unaudited)

6. COMMON SHARES

Authorized

As at September 30, 2024, the authorized share capital consisted of an unlimited number of common shares without par value.

Common Shares Issued

	Number of shares outstanding		Amount
Balance, December 31, 2022	**51,728,630**	**$**	**8,120,480**
Acquisition of Consolidated Copper Corp. (Note 4 and (i))	20,000,000		1,300,000
Balance, December 31, 2023	**71,728,630**	**$**	**9,420,480**
Balance, September 30, 2024	**71,728,630**	**$**	**9,420,480**

(i) On August 10, 2023, the Company issued 20,000,000 shares to the shareholders of Consolidated Copper for the acquisition of the Caña Brava and Turmalina projects (Note 4). The shares were valued based on the quoted market price.

7. EQUITY RESERVES

Warrants

The changes in warrants issued during the nine months ended September 30, 2024, and year ended December 31, 2023 are as follows:

	Number of warrants		Weighted average exercise price		Value of warrants issued
Balance, December 31, 2022	**17,877,576**	**$**	**0.39**	**$**	**2,207,346**
Granted, August 2023 - Consolidated Copper acquisition	5,000,000		0.10		109,500
Expired, November 2023	(13,333,500)		0.45		(1,733,355)
Expired, November 2023	(1,213,870)		0.30		(182,000)
Balance, December 31, 2023	**8,330,206**	**$**	**0.13**	**$**	**401,491**
Expired, April 2024	(2,930,206)		0.19		(208,951)
Expired, August 2024	(5,000,000)		0.10		(109,500)
Balance, September 30, 2024	**400,000**	**$**	**0.10**	**$**	**83,040**

The following table summarizes the warrants outstanding as of September 30, 2024:

Number of warrants outstanding	Number of warrants exercisable	Grant date	Expiry date	Exercise price	Share price	Estimated fair value at grant date	Volatility	Risk-free interest rate	Expected life	Expected dividend yield
#	#			$	$	$			Years	
400,000	400,000	12-Apr-22	5-Oct-26	0.10	0.24	83,040	122%	2.52%	4.48	0%
400,000	**400,000**			**0.10**		**83,040**			**4.48**	

The weighted-average remaining contractual life of the warrants as of September 30, 2024, is 2.01 years (December 31, 2023 – 0.61 years).

Expressed in Canadian Dollars (Unaudited)

Share-based payments

Pursuant to the Company's stock option plan, directors may, from time to time, authorize the issuance of options to directors, officers, employees and consultants of the Company, enabling them to acquire up to 10% of the issued and outstanding common shares of the Company. The options can be granted for a maximum term of 10 years and are subject to vesting provisions as determined by the Board of Directors of the Company.

The changes in stock options issued during the nine months ended September 30, 2024 and year ended December 31, 2023, are as follows:

	Number of options	Weighted average exercise price	Value of options
Balance, December 31, 2022	**4,580,000**	**$ 0.20**	**$ 629,812**
Expired, August 2023	(200,000)	0.20	(29,440)
Expired, October 2023	(130,000)	0.30	(14,222)
Expired, November 2023	(200,000)	0.20	(29,440)
Grant, August 2023	2,050,000	0.06	89,469
Balance, December 31, 2023	**6,100,000**	**$ 0.15**	**$ 646,179**
Vested	-	-	3,398
Grant, February 2024	200,000	0.06	8,860
Balance, September 30, 2024	**6,300,000**	**$ 0.15**	**$ 658,437**

On August 10, 2023, 200,000 of the Company's options granted May 25, 2022 expired unexercised.

On August 30, 2023, the Company granted a total of 1,950,000 stock options to directors, officers, consultants and employees of the Company pursuant to its stock option plan. Directors and officers were granted 1,550,000 options with a fair value of $70,215.

During the three and nine months ended September 30, 2024, $1,133 and $12,258, respectively (three and nine months ended September 30, 2023 - $88,370 and $95,730, respectively) in share-based compensation was recognized in the condensed interim consolidated statements of loss.

Options outstanding as of September 30, 2024 are as follows:

Number of options outstanding	Number of options exercisable	Grant date	Expiry date	Exercise price	Share price	Estimated fair value of vested grants	Volatility	Risk-free interest rate	Expected life	Expected dividend yield
#	#			$	$	$			Years	
3,550,000	3,550,000	25-May-22	25-May-27	0.20	0.18	522,560	119%	2.60%	5.00	0%
500,000	500,000	20-Oct-22	20-Oct-27	0.20	0.09	34,150	120%	3.84%	5.00	0%
2,050,000	2,050,000	30-Aug-23	30-Aug-28	0.06	0.055	92,900	118%	3.90%	5.00	0%
200,000	200,000	9-Feb-24	9-Feb-29	0.06	0.055	8,860	113%	3.65%	5.00	0%
6,300,000	**6,300,000**			**0.15**		**658,470**			**5.00**	

As of September 30, 2024, the weighted-average remaining contractual life of the options is 3.15 years (December 31, 2023 – 3.86 years) and the weighted-average fair value is $0.10 (December 31, 2023 - $0.11)

8. CAPITAL MANAGEMENT

The Company manages and adjusts its capital structure based on available funds in order to support the acquisition, exploration and development of mineral properties. The Board does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business. The Company considers its capital to consist of common shares, warrant reserve and option reserve.

The properties in which the Company currently has an interest are in the exploration and evaluation stage; as such, the Company is dependent on external financing to fund its activities. In order to carry out planned exploration and evaluation and pay for administrative costs, the Company must raise additional amounts.
The Company may continue to assess new properties and may seek to acquire an interest in additional properties if it feels there is sufficient geologic or economic potential and if it has adequate financial resources to do so.

Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable. There were no significant changes in the Company's approach to capital management during the period ended September 30, 2024.

The Company and its subsidiaries are not subject to any capital requirements imposed by a lending institution or regulatory body, other than the TSX Venture Exchange ("TSXV") which requires adequate working capital or financial resources of the greater of (i) $50,000 and (ii) an amount required to maintain operations and cover general and administrative expenses for a period of 6 months.

As at September 30, 2024, the Company believes it is compliant with the policies of the TSXV.

9. FINANCIAL INSTRUMENTS

Financial instruments recorded at fair value on the condensed interim consolidated statement of financial position are classified using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

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

The fair value hierarchy requires the use of observable market inputs whenever such inputs exist. A financial instrument is classified to the lowest level of the hierarchy for which a significant input has been considered in measuring fair value.

The Company's financial instruments include cash and cash equivalents, short-term investments, amounts receivable, and accounts payable and accrued liabilities. The carrying values of these financial instruments reported in the condensed interim consolidated statement of financial position approximate their respective fair values due to the relatively short-term nature of these instruments. As at September 30, 2024, the Company's financial instruments that are carried at fair value, being short-term investments are classified as Level 2 within the fair value hierarchy.

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

(a) *Credit risk*

Counterparty credit risk is the risk that the financial benefits of contracts with a specific counterparty will be lost if a counterparty defaults on its obligations under the contract. This includes any cash amounts owed to the Company by those counterparties, less any amounts owed to the counterparty by the Company where a legal right of set-off exists and also includes the fair values of contracts with individual counterparties which are recorded in the financial statements.

Trade credit risk
The Company is not exposed to significant trade credit risk.

Cash and cash equivalents and short-term investments
In order to manage credit and liquidity risk the Company's policy is to invest only in highly rated, investment grade instruments. Limits are also established based on the type of investment, the counterparty, and the credit rating.

(b) *Currency risk*

Currency risk is the risk that the fair value of, or future cash flows from, the Company's financial instruments will fluctuate because of changes in foreign exchange rates. The Company's foreign currency risk arises primarily with respect to the Euro from its property interests in Spain, Peruvian Sol ("PSol") from its property interest in Peru, and US dollars from operations. Fluctuations in the exchange rates between these currencies and the Canadian dollar could have a material effect on the Company's business, financial condition, and results of operations. The Company does not engage in any hedging activity to mitigate this risk.

As at September 30, 2024 and December 31, 2023, the Company had the following financial instruments denominated in foreign currency (expressed in Canadian dollars):

September 30, 2024	**Euros**	**Peruvian Sol**	**US Dollars**
Cash	$ 121,114	$ 245	$ 21,273
Amounts receivable	10,285	10,687	-
Accounts payable and accrued liabilities	(51,395)	(78,306)	(31,739)
	$ 80,005	$ (67,374)	$ (10,465)
December 31, 2023			
Cash	$ 125,499	$ 476	$ 89,159
Amounts receivable	155,986	4,667	-
Accounts payable and accrued liabilities	(17,936)	(181,912)	(13,774)
	$ 263,549	$ (176,769)	$ 75,385

A 10% strengthening (weakening) of the Canadian dollar against the Euro would decrease (increase) net loss by approximately $8,000 (December 31, 2023 - $26,400).

A 10% strengthening (weakening) of the Canadian dollar against the PSol would increase (decrease) net loss by approximately ($6,700) (December 31, 2023 – ($17,700)).

A 10% strengthening (weakening) of the Canadian dollar against the US dollar would decrease (increase) net loss by approximately ($1,000) (December 31, 2023 - $7,500).

Expressed in Canadian Dollars (Unaudited)

(c) *Liquidity risk*

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. As at September 30, 2024, the Company had a cash and cash equivalents balance of $402,587 (December 31, 2023 - $2,280,406) to settle current liabilities of $258,315 (December 31, 2023 - $296,700). The Company's trade payables have contractual maturities of less than 30 days and are subject to normal trade terms.

(d) *Commodity / equity price risk*

The Company is exposed to price risk with respect to commodity and equity prices. Equity price risk is defined as the potential adverse impact on the Company's earnings due to movements in individual equity prices or general movements in the level of the stock market. Commodity price risk is defined as the potential adverse impact on earnings and economic value due to commodity price movements and volatilities. The Company monitors commodity prices, individual equity movements and the stock market to determine the appropriate course of action to be taken by the Company. Commodity price risk is remote as the Company is not a producing entity.

10. RELATED PARTY TRANSACTIONS

Compensation of key management personnel of the Company

In accordance with IAS 24, key management personnel are those persons having authority and responsibility for planning, directing, and controlling the activities of the Company directly or indirectly, including any directors (executive and non-executive) of the Company. During the three and nine months ended September 30, 2024 and 2023, the remuneration of directors and other key management personnel is as follows:

	Three months ended September 30,		Nine months ended September 30,	
	2024	**2023**	**2024**	**2023**
Salaries and benefits	$ 51,294	$ 80,730	$ 193,883	$ 241,624
Consulting fees	34,008	81,131	198,247	239,030
Share-based compensation	-	70,215	-	70,215
Total	**$ 85,301**	**$ 232,076**	**$ 392,129**	**$ 550,869**

As at September 30, 2024, an amount of $35,414, included in accounts payable and accrued liabilities, was owed to directors and officers of the Company (December 31, 2023 - $10,000). The amounts outstanding on fees are unsecured, non-interest bearing, with no fixed terms or repayment.

See also Notes 5.

Expressed in Canadian Dollars (Unaudited)

11. SEGMENT INFORMATION

The Company conducts its business as a single operating segment, being mineral exploration and evaluation in Spain and Peru. The following table summarizes the total assets and liabilities by geographic area as at September 30, 2024 and December 31, 2023:

September 30, 2024	Spain	Peru	Canada	Total
Cash and cash equivalents	$ 121,114	$ 8,502	$ 272,971	$ 402,587
Amounts receivable	10,285	42,521	10,069	62,875
Prepaid expenses	73,536	1,531	14,717	89,784
Restricted cash	-	-	10,000	10,000
Reclamation deposit	105,412	-	-	105,412
Total assets	**$ 310,347**	**$ 52,554**	**$ 307,757**	**$ 670,658**
Accounts payable and accrued liabilities	$ 36,892	$ 86,255	$ 135,168	$ 258,315
Total liabilities	**$ 36,892**	**$ 86,255**	**$ 135,168**	**$ 258,315**

December 31, 2023	Spain	Peru	Canada	Total
Cash	$ 125,499	$ 72,108	$ 2,082,799	$ 2,280,406
Amounts receivable	155,986	4,667	38,944	199,597
Prepaid expenses	20,466	862	25,529	46,857
Restricted cash	-	-	10,000	10,000
Reclamation deposit	76,488	-	-	76,488
Total assets	**$ 378,439**	**$ 77,637**	**$ 2,157,272**	**$ 2,613,348**
Accounts payable and accrued liabilities	$ 17,936	$ 186,215	$ 92,549	$ 296,700
Total liabilities	**$ 17,936**	**$ 186,215**	**$ 92,549**	**$ 296,700**

The following table summarizes the loss by geographic area for the nine months ended September 30, 2024 and 2023:

September 30, 2024	Spain	Peru	Canada	Total
Project evaluation expenses	$ 95,469	$ 1,354,317	$ -	$ 1,449,786
General and administrative expenses	-	-	585,996	585,996
Other income	-	-	(33,089)	(33,089)
Foreign exchange gain	(8,422)	(8,331)	(2,347)	(19,100)
Net loss and comprehensive loss	**$ 87,047**	**$ 1,345,986**	**$ 550,560**	**$ 1,983,593**

September 30, 2023	Spain	Peru	Canada	Total
Project evaluation expenses	$ 1,294,411	$ 27,780	$ 1,367,504	$ 2,689,695
General and administrative expenses	-	-	851,974	851,974
Other income	-	-	(113,593)	(113,593)
Foreign exchange gain	(13,954)	-	(997)	(14,951)
Net loss and comprehensive loss	**$ 1,280,457**	**$ 27,780**	**$ 2,104,888**	**$ 3,413,125**

12. COMMITMENTS AND CONTINGENCIES

Environmental

The Company's exploration activities are subject to various laws and regulations governing the protection of the environment. These laws and regulations are continually changing and generally becoming more restrictive. The Company believes its operations are materially in compliance with all applicable laws and regulations. The Company expects to make expenditures to comply with such laws and regulations.

General
The Company may be subject to various claims, lawsuits and other complaints arising in the ordinary course of business. The Company records provisions for losses when claims become probable and the amounts are estimable.

Management Contracts
The Company is party to certain employment and consulting contracts. These contracts contain minimum commitments of approximately $380,000 with regards to termination pay and additional contingent payments of up to approximately $830,000 upon the occurrence of a change of control. As a triggering event has not taken place, the contingent payments have not been reflected in these condensed interim consolidated financial statements.

Minimum commitments under these contracts due within one year are $380,000.

Other
See Note 5.

13. SUBSEQUENT EVENTS

Private Placement
On November 13, 2024, the Company closed a private placement financing by issuing 10,833,345 units at a price of $0.03 per unit for gross proceeds of $325,000.

Each unit entitled the holder thereof to automatically receive one common share and one common share purchase Warrant. Each Warrant will entitle the holder to purchase one common share at a price of $0.06 at any time on or before November 13, 2026. The fair value of the 10,833,345 warrants was estimated at $130,000 using the Black-Scholes option pricing model with the following assumptions: stock price $0.025; exercise price $0.06; risk-free interest rate 3.17%; annualized volatility 128%; expected dividend yield 0%; and expected life of 2 years.

A total of 291,667 broker warrants, each exercisable to acquire one common share at a price of $0.06 for a period of 24 months, were issued in connection with the offering. The fair value of the broker warrants issued was estimated at $3,500 using the Black-Scholes option pricing model with the following assumptions: stock price $0.025; exercise price $0.06; risk-free interest rate 3.17%; annualized volatility 128%; expected dividend yield 0%; and expected life of 2 years.

A finders fee of $8,750 was paid for the financing.

Officers and Directors of the Company subscribed for 2,475,015 units, generating gross proceeds of $74,250.

Option Expiry
Subsequent to September 30, 2024, 25,000 options with an exercise price of $0.06 expired.