MERIDIAN MINING UK Societas
(formerly Meridian Mining S.E.)
(Expressed in United States Dollars)

Annual report and financial statements

Registered number SE000111

31 December 2021

Contents

Strategic Report

Description of Business

Meridian Mining UK Societas, formerly Meridian Mining S.E., (the "Company" or "Meridian") was formed in Amsterdam, Netherlands on December 16, 2013. Effective August 15, 2017, the Company transferred its official seat from the Netherlands to London, United Kingdom. Effective April 4, 2022, the Company's shares are listed on the Toronto Stock Exchange ("TSX") under the symbol MNO (see Subsequent Events (note 19)). The Group is currently engaged in the exploration, development of mineral deposits in Brazil, through Meridian's subsidiaries, Meridian Mineração Jaburi S.A. ("Jaburi") and Rio Cabaçal Mineração Ltda ("Rio Cabaçal"). On December 31, 2020, the Company was converted under Articles AA1 and AAA1 of the EC Regulation on the European Public Limited-Liability company (Amended Etc.) (Eu Exit) Regulations 2018 to a United Kingdom Societas under the name of Meridian Mining UK Societas. The Company's head office is located at 6th Floor, 65 Gresham Street, London, EC2V 7NQ, United Kingdom.

Business Overview

Meridian is a mining exploration and resource development company with projects in Brazil. The Company has signed purchase agreement to acquire a 100% beneficial interest in the Cabaçal copper ("Cu") - gold ("Au") Project ("Cabaçal"), in the state of Mato Grosso, Central West Brazil. The Company has separately secured an additional licence at the southern limit of the Project's Volcanogenic Massive Sulphide ("VMS") belt, and in the parallel Jaurú and Araputanga greenstone belts to the west of Cabaçal. The Company also has three projects in the State of Rondônia Espigão Cu - Au polymetallic ("Espigão"), Mirante da Serra ("Mirante") – manganese ("Mn") and Ariquemes - tin ("Sn") in the north of Brazil; together ("the Portfolio").

Strategy

Meridian's vision is to create sustainable value for its stakeholders by discovering and developing high quality resource assets. The Group is committed to being a responsible steward of the environment and building collaborative partnerships with communities, governments and all other stakeholders for mutual success.

The Group's long-term focus is on the exploration and resource development of its Cu-Au projects and it will seek a JV partner or a buyer for the Group's other projects.

Outlook

Our priorities are to focus on the Cu – Au potential of the portfolio, with a focus on exploration and resource development at Cabaçal and Espigão.

The Group plans to continue the drilling program to validate historical data; to expand the size and extent of brownfield mineralization at Cabaçal and to assess peripheral targets to the Cabaçal deposit through exploration drilling with the objective to gather data for the preparation of a National Instruments 43-101 compliant Mineral Resource estimate.

The Group also plans to undertake preliminary metallurgical testwork to confirm results of historical production performance, as well as the continuation of the environmental studies to position the project for future development, being a long-lead time strategic requirement.

Regional exploration in the Cabaçal Project is planned to cover over 50km of strike of the prospective belt that is held by the Group under licence. The aim is to identify additional VMS systems for drilling follow up.

Performance Review and KPIs

The review should be read in conjunction with the audited financial statements and notes.

The Board assesses the performance of the Company and its senior management by evaluating, on a regular basis, the level of cash holdings of the Company, management of costs, capital expenditures and sales compared with an annual approved plan.

Financial key performance indicators

The following table provides a brief summary of the Group's annual financial operations. For more detailed information, please refer to the financial statements:

	Year Ended December 31, 2021	Year Ended December 31, 2020	Year Ended December 31, 2019
Revenues	$ -	$ 241,019	$ 6,262,477
Net loss before income taxes	(37,582,080)	(7,555,259)	(17,784,173)
Net loss	(37,582,080)	(7,532,259)	(17,803,173)
Total comprehensive loss	(38,017,903)	(9,092,229)	(18,484,592)
Total assets	16,186,628	10,939,003	10,060,094
Working capital (deficit)	7,214,576	3,361,274	(26,157,347)

Financial Performance highlights

Further details regarding financial performance during 2021 are set out below on section Results of Operation.

Quarterly Financial Summary:

	Qtr 4 Three Months Ended December 31, 2021 $	**Qtr 3 Three Months Ended September 30, 2021 $**	**Qtr 2 Three Months Ended June 30, 2021 $**	**Qtr 1 Three Months Ended March 31, 2021 $**
Revenues	-	-	-	-
Net Loss for the period	(14,059,702)	(6,807,312)	(9,396,680)	(7,318,386)
Total Comprehensive Loss	(14,211,977)	(7,329,421)	(8,675,185)	(7,801,323)
Net Loss per share and fully diluted Loss per share	(0.11)	(0.06)	(0.07)	(0.07)

	Qtr 4 Three Months Ended December 31, 2020 $	**Qtr 3 Three Months Ended September 30, 2020 $**	**Qtr 2 Three Months Ended June 30, 2020 $**	**Qtr 1 Three Months Ended March 31, 2020 $**
Revenues	-	-	107,140	146,481
Net Income (Loss) for the period	1,926,391	(7,599,450)	(191,554)	(1,690,647)
Total Comprehensive Income (Loss)	2,360,403	(7,815,017)	(549,103)	(3,088,512)
Net Profit (Loss) per share and fully diluted Profit (Loss) per share	0.02	(0.08)	(0.00)	(0.02)

Note: The information above has been taken from management reporting and due to foreign exchange variances, non-material differences can arise when compared with the total amounts for the year.

Results of Operations

The consolidated financial statements reflect the financial performance of the Group for the year ended December 31, 2021. During year ended December 31, 2021, the Group incurred a comprehensive loss of $38,017,903 as compared to $9,092,229 for the year ended December 31, 2020.

Revenues during the year decreased to $nil, from $241,019 during the comparative year ended December 31, 2020. The decrease was due to the decision made in early December 2019 to put the manganese production at Espigão do Oeste on care and maintenance.

Production costs decreased to $nil from $253,158 during the comparative period. The decrease was due to event of manganese operation being put on care and maintenance.

Operating expenses totalled $9,414,067 for the year ended December 31, 2021, compared to $2,554,026 for the year ended December 31, 2020. As discussed in the Discussion of Fourth Quarter Results section above, two events which had a significant impact of the expenses for the Group were the commencement of the exploration program at Cabaçal project in 2021 and the grant of 7,794,717 stock options.

Operating expenses with significant balances or significant movements include:

- Exploration and evaluation costs of $3,533,194 (2020 - $443,703). The increase was due to the commencement of exploration program at the Cabaçal project in 2021;
- General and administration costs of $1,943,763 (2020 - $1,218,742). The increase was mainly related to the ramp up in investor relations and marketing expenses, changes in the remuneration of the management team, including addition of new Directors offset by a reduction in other general office expenditures and payroll costs;
- Professional fees of $534,026 (2020 - $592,370). The decrease was mainly related to costs related to the debt restructure transaction in 2020;
- Share based compensation of $3,027,640 (2020 - $49,266). The Company granted 7,794,717 options during the year ended December 31, 2021 to Directors, Officers, employees and consultants;

Financing expenses with significant balances or significant movements include:

- Finance income increased by $572,460 to $582,134 (2020- $9,674) mainly due to the partial reversal of the withholding taxes of the Consolidated Facility agreement with Sentient Global Resources Fund IV L.P.;
- Finance expenses decreased to $nil (2020 – $607,650) due to the debt settlement of the loan facilities in 2020; and
- Mark-to-market revaluation of warrants loss increased by $24,623,963 to $28,564,576 (2020 - $3,940,613) due to the fair market value revaluation related to the share purchase warrants granted in the private placements closed in the year ended on December 31, 2020.

The results for the year ended December 31, 2021, included other comprehensive loss of $435,823 (2020 – $1,559,969) comprised of foreign currency translation, which related primarily to the translation of the Group's Brazilian operation.

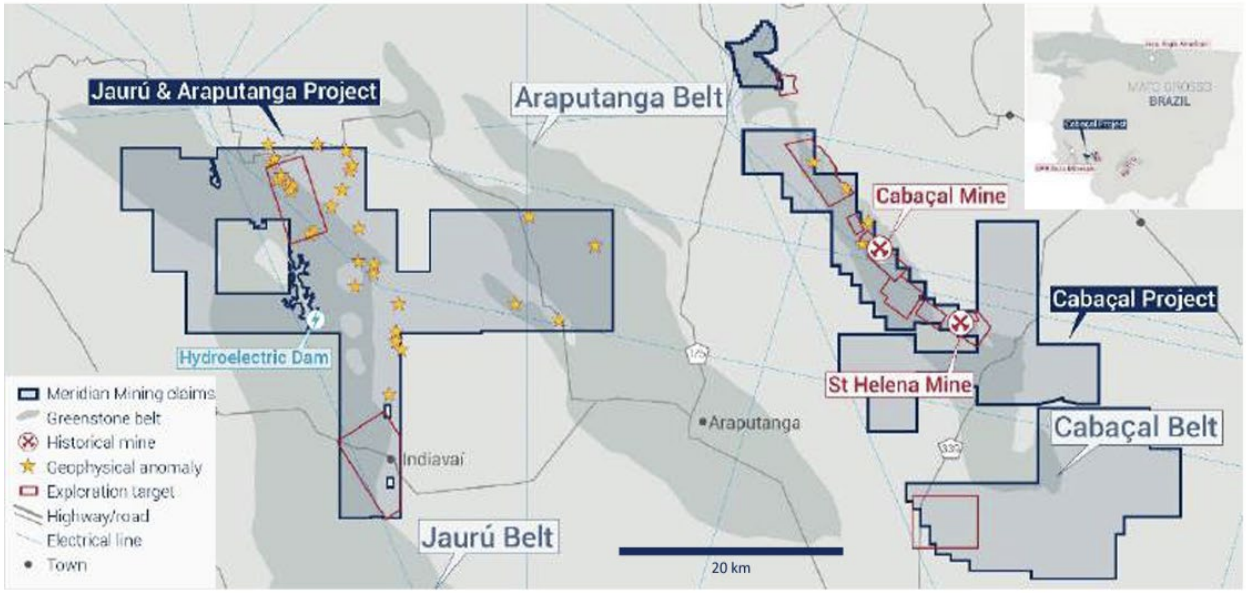
Non-financial key performance indicators

The Board establishes targets to maintain and improve the operational performance of the Group. These targets primarily focus on exploration and development of mineral properties, environment and corporate structure, areas which the Board considers important for the short and long-term success of the Group and its operations.

Exploration Highlights

The Group has undertaken the following general exploration activities during 2021 with the focus on the Cabaçal project:

- Surface geochemical surveys (1,368 soil samples; 94 rock chip samples);
- Surface and down-hole geophysics;
- 65 down-hole electromagnetic ("BHEM") surveys;
- 78-line kilometers of surface Fixed Loop Transient ElectroMagnetic surveys ("FLTEM");
- Remote sensing - WorldView-3 satellite survey over the Cabaçal Belt;
- Topographic control with Geosan Geotecnologia Eireli providing high-resolution drone orthophotography, a digital terrane model with contours, and selected collar surveys;
- In-house field checks and surveys of historical collar positions;
- Digital data compilation, with in-house and sub-contracted compilation of data from scanned reports retrieved from the archives of Rio Tinto ("RTZ");
- 18 trenches for 1108m; and
- The Group increased its land position in the Cabaçal Belt and adjacent Araputanga and Jaurú Belts, securing a strategic extension to the Group's landbank, covering both historical BP geochemical and geophysical targets.

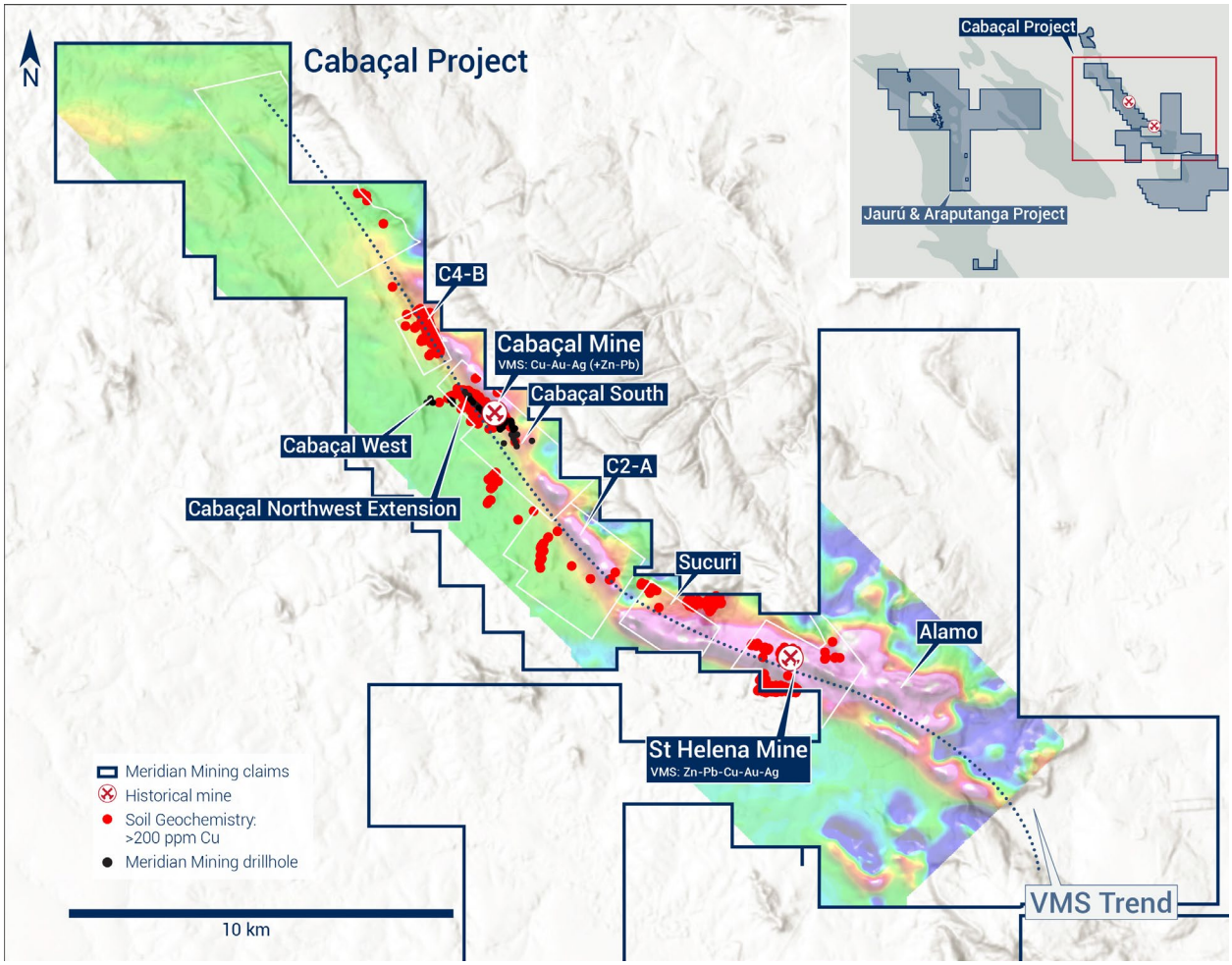


The Group initiated a rock chip and soil sampling program, focusing initially on the C2A area of BP Minerals ("BPM") (centred approximately 3km southeast of the Cabaçal Mine). Soil geochemical anomalies with variable Cu, Cu-Au, Zn-Cu-Pb soil responses were historically defined, but not closed off with gaps in the sample coverage. The area has limited outcrop. Samples were collected from the 'B Horizon' using a hand-auger, on a 200 x 25m grid, closing to 100m on infill lines.

The results from the soil sampling have confirmed that the anomalies expressed in the historical sampling exist and are correctly located. This includes a north-south trending geochemical anomaly extending over 1.5 km, with a cross-strike footprint of ~130-200m (peak Cu of 1,080 ppm) with flanking Pb and Zn anomalies extending the footprint of this metal anomaly outward to ~400 cross strike. They have also defined a new Cu-Zn anomaly, located ~ 3km southeast of the Cabaçal Mine. Peak rock chip results of 4,075 ppm Cu, 3,530 ppm Zn have been reported to date with fresh sulphide locally present at surface.

Geophysical programs have been focused at Cabaçal and an adjacent satellite target (Cabaçal West). The Group initially contracted Geomag S/A Prospecções Geofísicas, a company of the Wellfield Services Group, to conduct an orientation survey and downhole electromagnetic surveys over the Cabaçal mine and near-mine area. The Group is encouraged by the level of alteration seen at Cabaçal West but it is yet to intersect a coherent massive Cu/Zn/Pb sulphide source associated with Cabaçal West's conductors. The three closely spaced holes completed in 2021 show highly variable geology and coupled with the high-strain tectonic environment indicates a more complicated geology of folding / faulting of the host stratigraphy and boudinage of associated sulphides (as seen in and compared to the Cabaçal and St Helena mines). This may be further influenced by the complexity of the host volcano-sedimentary environment (with domal intrusions). To create a clearer targeting (geological/geophysical) model for the next drill program at Cabaçal West, the Group is completing a 3D Induced Polarization ("IP") survey, using its own equipment already on-site. This will be then combined with the Cabaçal West's EM conductors to generate more precise targets for the next drill program and potentially unlock this near-mine upside.

Fixed-Loop orientation surveys were also completed over the Cabaçal Mine which defined a bedrock conductor consistent with a response related to a broad footprint of disseminated to stringer sulphides. The EM anomaly extends ~100-200m southeast of the limits of the historical mine development. Fixed-loop surveys have also been initiated over bedrock conductors defined from the 2007 VTEM survey. Downhole electromagnetic surveys have been completed, with nearly 7,000m of survey work having been undertaken to date. BHEM surveys in the Cabaçal mine setting have identified conductive anomalies coincident with stringer zones intersected in recent Group's drilling and historical drilling.



Drilling

The Group is currently completing a drilling program which includes a combination of twin holes, infill holes and extensional holes, to support the validation of the historical database of the project and to define the limits of mineralization at Cabaçal. Holes are collared with HQ2 core through the saprolite to maximize recovery, with NQ2 tails. Triple-tube coring to date has not been necessary.

Drilling by the Group confirmed mineralization over a strike length of ~1900m, centred on the historical workings of the Cabaçal mine, with extensions to the northwest and southeast. 92 holes have been completed for a total of 12,231m as of December 31, 2021.

A selection of intersections from the various mineralized zones is listed below. Drilling in the Cabaçal mine environment has confirmed the presence of wide zones of Cu-Au-Ag mineralization between the selective room and pillar workings, in line with expectations given that past mining was focussed selectively on high-grade gold trends, with a 3g/t gold cut-off grade. Recent drilling has also defined high-grade gold mineralization extending along strike from the mine workings in previously sparsely drilled areas.

Hole ID	Drill Data				Intercept	Grade						From
						CuEq	Cu	Au	Ag	Zn	Pb	
	Dip	Azimuth	EOH	Zone[1]	(m)	(%)	(%)	(g/t)	(g/t)	(%)	(%)	(m)
CD-003	-75	045	205.5	SCZ								
					15.0	0.4	0.4	0.0	0.0	0.0	0.0	75.0
					58.6	**1.2**	**0.6**	**0.9**	**1.7**	**0.2**	**0.0**	**110.0**
Including					**17.2**	**3.2**	**1.5**	**2.5**	**4.7**	**0.4**	**0.0**	**151.4**

Hole ID	Drill Data				Intercept	Grade						From
						CuEq	Cu	Au	Ag	Zn	Pb	
	Dip	Azimuth	EOH	Zone[1]	(m)	(%)	(%)	(g/t)	(g/t)	(%)	(%)	(m)
CD-004	-64	331	200.05	SCZ								
					9.5	0.3	0.2	0.2	0.0	0.0	0.0	94.6
					6.5	0.8	0.6	0.2	2.5	0.1	0.0	114.9
Including					0.3	13.5	11.5	2.2	55.0	0.7	0.0	119.4
					15.9	**4.0**	**3.3**	**0.7**	**15.7**	**0.6**	**0.0**	**148.6**
Including					**10.2**	**5.9**	**4.9**	**1.0**	**23.9**	**0.7**	**0.0**	**152.0**
CD-005	-97	045	123.1	ECZ								
					4.6	0.2	0.1	0.0	0.0	0.0	0.0	18.6
					3.0	0.2	0.1	0.1	0.0	0.0	0.0	33.5
					30.7	**1.3**	**0.9**	**0.6**	**4.9**	**0.1**	**0.0**	**38.5**
					2.8	1.2	0.9	0.3	5.6	0.1	0.0	75.4
					4.3	0.6	0.3	0.3	1.0	0.1	0.0	82.1
CD-006	-77	334	193.3	SCZ								
					7.3	0.4	0.2	0.2	0.8	0.2	0.0	100.4
					17.7	**2.4**	**1.3**	**1.5**	**6.1**	**0.3**	**0.0**	**113.0**
Including					**11.5**	**3.4**	**1.9**	**2.2**	**8.9**	**0.3**	**0.0**	**118.5**
					6.2	1.9	1.5	0.5	5.3	0.1	0.0	156.0
CD-009	-55	330	152.8	SCZ								
					3.0	0.2	0.2	0.0	0.2	0.0	0.0	40.0
					8.0	0.3	0.2	0.0	1.0	0.0	0.0	62.0
					66.1	**1.1**	**0.6**	**0.8**	**1.8**	**0.0**	**0.0**	**86.9**
Including					**2.7**	**10.0**	**1.5**	**14.0**	**7.0**	**0.1**	**0.0**	**86.9**
Including					**12.8**	**2.1**	**1.7**	**0.5**	**5.2**	**0.1**	**0.0**	**139.7**
CD-012	-85	050	106.4	CCZ								
					29.8	0.3	0.3	0.0	0.9	0.0	0.0	23.8
					37.9	**0.7**	**0.5**	**0.3**	**1.7**	**0.1**	**0.0**	**59.8**
Including					15.2	1.3	0.9	0.5	3.9	0.2	0.0	82.5
Including					2.0	6.7	2.8	6.2	11.3	0.2	0.0	101.6
CD-013	-50	120	132.7	ECZ								
					94.0	**0.7**	**0.6**	**0.1**	**1.5**	**0.0**	**0.0**	**8.0**
Including					8.5	1.9	1.4	0.5	5.0	0.2	0.0	54.5
					22.5	0.7	0.6	0.2	2.1	0.0	0.0	110.5
Including					5.6	1.6	1.2	0.4	4.8	0.1	0.0	119.2
CD-015	-89	110	86.7	CCZ								
					20.0	0.2	0.2	0.1	0.7	0.0	0.0	12.0
					15.7	0.5	0.4	0.1	0.7	0.0	0.0	37.0
					30.3	**1.0**	**0.5**	**0.9**	**1.5**	**0.0**	**0.0**	**56.4**
Including					3.8	1.5	1.3	0.4	1.7	0.0	0.0	43.0
					6.1	1.0	0.4	1.0	1.0	0.0	0.0	67.2
					4.5	3.0	1.0	3.3	4.6	0.1	0.0	77.9
CD-017	-89	029	91.4	ECZ								
					46.0	**1.0**	**0.8**	**0.3**	**3.4**	**0.0**	**0.0**	**29.0**
Including					**9.6**	**3.3**	**2.6**	**0.9**	**12.2**	**0.1**	**0.0**	**56.0**
CD-019	-55	165	174.1	ECZ								
					62.5	**0.6**	**0.5**	**0.1**	**0.8**	**0.0**	**0.0**	**12.0**
Including					2.5	3.1	2.9	0.4	4.9	0.0	0.0	20.7
					2.2	3.5	2.9	1.0	4.3	0.1	0.0	53.5
-and					31.0	0.4	0.2	0.3	0.1	0.0	0.0	84.0
-and					17.2	1.2	0.8	0.4	3.9	0.1	0.0	130.0
CD-020	-89.4	50	100.3	ECZ								
					43.8	**0.9**	**0.6**	**0.4**	**2.8**	**0.0**	**0.0**	**27.8**
Including					**18.9**	**1.7**	**1.2**	**0.7**	**6.3**	**0.1**	**0.0**	**52.7**
-and					7.3	0.4	0.3	0.2	0.9	0.0	0.0	78.7

Hole ID	Drill Data				Intercept	Grade						From
						CuEq	Cu	Au	Ag	Zn	Pb	
	Dip	Azimuth	EOH	Zone[1]	(m)	(%)	(%)	(g/t)	(g/t)	(%)	(%)	(m)
CD-021	-87.9	8.3	82.8	ECZ								
					27.6	**1.3**	**0.8**	**0.6**	**3.8**	**0.1**	**0.0**	**35.5**
Including					**10.7**	**2.4**	**1.7**	**1.0**	**8.5**	**0.1**	**0.0**	**55.9**
-and					1.3	4.4	3.8	0.6	13.6	0.3	0.2	72.7
CD-022	-89.2	3.7	133.3	CCZ								
					76.4	**0.7**	**0.5**	**0.3**	**1.1**	**0.0**	**0.0**	**11.0**
Including					**16.8**	**1.7**	**1.2**	**0.6**	**3.5**	**0.0**	**0.0**	**65.8**
CD-024	-75	45	170.7	SCZ								
					9.5	0.4	0.4	0.0	1.0	0.0	0.0	50.5
					44.5	**1.1**	**0.6**	**0.7**	**2.0**	**0.1**	**0.0**	**101.5**
Including					**9.8**	**3.6**	**1.7**	**2.8**	**6.4**	**0.5**	**0.1**	**134.8**
CD-025	-50	45	156.7	CCZ								
					35.4	**1.4**	**1.1**	**0.5**	**4.5**	**0.1**	**0.0**	**106.0**
Including					3.6	2.6	1.7	1.3	5.5	0.1	0.0	111.9
					4.6	**5.7**	**4.4**	**1.7**	**18.2**	**0.5**	**0.0**	**118.7**
CD-026	-90	315	136.7	SCZ								
					78.1	**0.6**	**0.4**	**0.3**	**1.2**	**0.1**	**0.0**	**33.1**
Including					2.7	5.2	3.9	1.5	9.4	0.9	0.0	112.0
CD-028	-90	0	98.2	CCZ								
					60.2	**0.6**	**0.2**	**0.6**	**0.9**	**0.0**	**0.0**	**17.6**
Including					6.0	1.6	0.1	2.4	0.5	0.0	0.0	32.0
-and					3.5	1.6	0.2	2.3	0.3	0.0	0.0	46.0
CD-029	-90	0	154.5	SCZ								
					16.5	0.4	0.3	0.2	0.9	0.0	0.0	42.0
					71.8	**1.0**	**0.7**	**0.3**	**3.1**	**0.2**	**0.0**	**65.0**
Including					6.9	2.4	2.0	0.5	7.6	0.2	0.0	91.7
CD-030	-85	45	89.9	ECZ								
					56.0	**0.8**	**0.4**	**0.6**	**1.8**	**0.0**	**0.0**	**7.5**
Including					**21.0**	**1.7**	**0.9**	**1.3**	**4.0**	**0.0**	**0.0**	**41.5**
CD-032	-90	0	140.6	SCZ								
					88.0	**0.4**	**0.3**	**0.1**	**0.9**	**0.1**	**0.0**	**36.0**
Including					5.4	1.1	0.9	0.2	1.9	0.1	0.0	42.8
Including					8.0	1.5	1.1	0.3	3.3	0.7	0.0	115.0
CD-033	-90	0	101.7	CCZ								
					19.0	0.3	0.2	0.0	0.6	0.0	0.0	9.0
					53.6	**0.9**	**0.4**	**0.8**	**2.1**	**0.0**	**0.0**	**36.5**
Including					**16.1**	**2.2**	**0.9**	**2.0**	**5.4**	**0.1**	**0.0**	**53.5**
CD-041	-89	238	115.4	ECZ								
					9.0	0.3	0.3	0.0	1.0	0.0	0.0	17.0
					6.0	0.3	0.1	0.3	0.5	0.0	0.0	31.0
					31.4	**1.2**	**0.7**	**0.5**	**4.5**	**0.4**	**0.0**	**70.0**
Including					10.3	2.2	1.6	0.7	9.9	0.1	0.0	82.8
CD-045	-50	45	102.6	ECZ								
					37.2	**1.0**	**0.4**	**1.1**	**1.4**	**0.0**	**0.0**	**1.4**
Including					3.0	7.7	0.1	12.7	2.4	0.0	0.0	6.0
					6.5	0.9	0.6	0.2	2.1	0.2	0.0	62.0
					1.3	2.5	1.8	0.5	6.3	1.2	0.0	77.7
CD-046	-58	68	130.4	NWE								
					11.7	**3.7**	**0.3**	**5.7**	**1.9**	**0.0**	**0.0**	**69.5**
Including					0.3	10.0	4.0	9.8	12.2	0.0	0.0	69.5
					0.3	14.7	2.0	20.9	13.9	0.0	0.0	71.0
					0.3	**110.8**	**0.5**	**183.4**	**30.1**	**0.0**	**0.1**	**75.7**
-and					5.8	0.7	0.4	0.1	3.4	0.8	0.0	99.2

Hole ID	Drill Data				Intercept	Grade						From
						CuEq	Cu	Au	Ag	Zn	Pb	
	Dip	Azimuth	EOH	Zone[1]	(m)	(%)	(%)	(g/t)	(g/t)	(%)	(%)	(m)
CD-049	-50	60	132.3	CNWE								
					53.7	**6.8**	**0.3**	**10.8**	**1.3**	**0.0**	**0.0**	**39.0**
Including					**26.7**	**13.1**	**0.2**	**21.5**	**1.8**	**0.0**	**0.0**	**66.0**
Including					**8.0**	**43.3**	**0.4**	**71.3**	**5.1**	**0.1**	**0.0**	**83.0**
CD-052	-89	68	109.3	ECZ								
					1.6	1.6	1.4	0.2	3.0	0.0	0.0	59.3
					31.3	**1.0**	**0.7**	**0.2**	**4.2**	**0.6**	**0.0**	**64.2**
Including					8.2	2.7	1.7	0.5	11.9	1.9	0.0	86.8
CD-054	-49	60	186.6	CNWE								
					11.4	0.4	0.2	0.4	0.7	0.0	0.0	8.0
					7.9	0.4	0.2	0.2	0.9	0.0	0.0	23.4
					54.4	**2.0**	**0.4**	**2.6**	**1.7**	**0.0**	**0.0**	**44.6**
Including					**16.5**	**5.3**	**1.0**	**7.2**	**4.2**	**0.0**	**0.0**	**45.1**
	Including				**6.5**	**11.5**	**1.5**	**16.6**	**5.8**	**0.0**	**0.0**	**45.1**
					1.2	5.8	2.8	4.8	15.3	0.0	0.0	55.9
-and					10.3	1.3	0.3	1.7	0.7	0.0	0.0	79.7
	Including				1.3	5.2	1.7	5.7	4.3	0.0	0.0	79.7
					1.3	2.4	0.2	3.6	0.6	0.0	0.0	82.7
					2.0	1.3	0.1	2.1	0.1	0.0	0.0	88.0
					15.8	0.3	0.2	0.1	1.2	0.0	0.0	111.3
CD-062	-90	0	96.7	CCZ								
					13.6	0.5	0.4	0.0	1.2	0.0	0.0	13.5
					7.0	2.6	0.1	4.1	0.4	0.0	0.0	31.0
					33.4	**0.8**	**0.4**	**0.8**	**1.5**	**0.0**	**0.0**	**45.0**
Including					8.5	1.1	0.2	1.6	0.8	0.0	0.0	51.5
					2.1	0.6	0.2	0.6	1.1	0.0	0.0	85.0
CD-072	-50	60	115.11	CNWE								
					49.0	**3.0**	**0.4**	**4.3**	**1.2**	**0.0**	**0.0**	**43.0**
Including					**12.4**	**11.0**	**1.0**	**16.6**	**2.8**	**0.0**	**0.0**	**73.0**
Including					**3.2**	**39.1**	**1.4**	**62.7**	**5.3**	**0.0**	**0.0**	**79.4**
Including					**0.6**	**182.6**	**3.0**	**299.1**	**18.8**	**0.0**	**0.2**	**79.7**

[1] *CCZ: Central Cooper Zone, CNWE: Northwest Extension, ECZ: Eastern Copper Zone, and SCZ: South Copper Zone*

Please refer to the news releases for additional results and more information

Notes

*True widths are approximately 80-90% of downhole lengths and assay figures and intervals rounded to 1 decimal place. Copper Equivalents ("CuEq") have been calculated using the formula CuEq = ((Cu%*Cu price 1% per tonne) + (Au ppm*Au price per g/t) + (Ag ppm*Ag price per g/t) + (Zn%*Zn price 1% per tonne)) / (Cu price 1 % per tonne). Commodity Prices: Copper ("Cu") and Zinc ("Zn") prices from LME Official Settlement Price dated April 23, 2021, US$ per Tonne: Cu = US$ 9,545.50 and Zn = US$ 2,802.50. Gold ("Au") & Silver ("Ag") prices from LBMA Precious Metal Prices US$ per Troy ounce: Au = US$ 1781.80 (PM) and Ag = US$ 26.125 (Daily). The CuEq values are for exploration purposes only and include no assumptions for metallurgical recovery. Calculation of composites for CD-012, CD-021, CD-022, CD-023, CD-025 assigns zero width and zero grade to mining voids intersected between 97.6 - 101.6m, 52.4 to 55.9m, 83.8 to 87.8m, 122.9 to 126.1m, and 123.2 to 124.6m respectively.*

Holes have been drilled HQ through the saprolite and upper bedrock and reduced to NQ – mineralized intervals represent half NQ drill core. Core samples from the 2021 program have been analysed at the accredited SGS laboratory in Belo Horizonte. Gold analyses have been conducted by FAA505 (fire assay of a 50g charge) and FAA35V (gold fire assay to extinction), and base metal analysis by methods ICP40B and ICP40B_S (four acid digest with ICP-OES finish). Core samples from the 2022 program have been analysed at the accredited ALS laboratory in Lima. Gold analyses have been conducted by Au-AA23 (fire assay of a 30g charge with AAS finish). High-grade samples are repeated with a gravimetric finish (Au-GRA21). Base metal analysis is by methods four-acid digestion

and ICP-AES finish (ME-ICP61a; Cu-OG62 for over-range samples). Samples are held in the company's secure facilities until dispatch and delivered by staff and commercial couriers to the laboratory. Pulps are retained for umpire testwork. And ultimately returned to the Company for storage. The Company submits a range of quality control samples, including blanks and gold and polymetallic standards supplied by ITAK, supplementing laboratory quality control procedures.

The Company's geophysical program is run by an experienced in-house team with data sent to the Company's independent consultant, Core Geophysics for quality control and modelling. The equipment includes borehole and surface SMARTem technology manufactured by ElectroMagnetic Imaging Technology (EMIT), a CG-6 Autograv™ gravity meter supplied by Scintrex, and induced polarization equipment with a GDD GRx8-16c receiver and 5000W-2400-15A transmitter supplied by GDD. Geophysical targets are preliminary in nature and not conclusive evidence of the likelihood of a mineral deposit.

Environmental Highlights

- During the year ended December 31, 2021, the Group has continued its environmental remediation program as planned at the Espigão do Oeste project.

- Remediation programs focused on finalization of field programs at Alcides, Dito, Saracura, Dinei, Amilda, Laudir, Ademar Professor, Júlio Mundi, Ervino, Flora, Vitoria, Vitalino and Calça Frouxa.

Corporate Highlights

- On January 26, 2021 the Company announced changes to the Board of Directors, Mr. Gilbert Clark was appointed Executive Chairman, while Mr. Charles Riopel stepped down but took on the role of Lead Independent Director. The Board was expanded with the appointments, on January 20, 2021, of Mr. John Skinner and Mr. Mark Thompson as Independent Directors.

- On October 19, 2021, the Company closed a brokered private placement through the issuance of 14,835,000 common shares at a price of CAD 0.70 per common share for aggregate gross proceeds to the Company of CAD 10,384,500 (USD 8,402,140). Management and Directors of the Company subscribed for an aggregate of 72,000 common shares.

- On October 27, 2021, Mrs. Susanne Sesselmann was appointed to Meridian's Board of Directors, as an Independent Director.

- During the year ended December 31, 2021, the Company issued 38,487,032 common shares and received gross proceeds totaling $3,990,773 related to share purchase warrants, agent's compensation options, agent's compensation options warrants and stock options exercises.

Liquidity and Capital Management

As of December 31, 2021, the Group reported a working capital of $7,214,576 (December 31, 2020 – $3,361,274) which included cash of $9,059,798 (December 31, 2020 - $4,516,136). Included in current liabilities on December 31, 2021 are trade and other payables of $912,953 (December 31, 2020 - $510,563), provisions of $410,218 (December 31, 2020 - $422,950) and taxes and fees payable of $843,806 (December 31, 2020 - $415,467). The improvement of the Group's working capital during the year was mainly due to the completion of a private placement with gross proceeds of $8,402,140 (CAD 10,384,500) in October 2021.

The capital structure of the Company consists of equity attributable to common shareholders, comprising of share capital, share premium, reserves and deficits and the convertible note. The Company's objectives when managing capital are to: (i) preserve capital, (ii) obtain the best available net return, and (iii) maintain liquidity.

The Company has historically relied upon both equity and shareholders contributions, loan facilities and private placements, to maintain an adequate level of cash to satisfy its capital and operating requirements. As of December 31, 2021, the Company does not have any other sources of funding. The Company will continue to assess new sources of financing available and to manage its expenditures to reflect current financial resources in the interest of sustaining long term viability.

To continue as a going concern, the Company will need to secure new funding. The ability of the Company to arrange additional financing in the future will depend, in part, on the prevailing capital market conditions and exploration successes. There can be no assurance that these initiatives will be successful, or sufficient financing, including financing from its majority shareholder, will be available. These material uncertainties cast significant doubt as to the ability of the Group to meet its business plan and obligations as they come due and, accordingly, the appropriateness of the use of accounting principles applicable to a going concern.

The Company cannot estimate the extent of COVID-19 pandemic outbreak, and its potential impact on the ability to obtain financing and maintain necessary liquidity.

Risk Factors

Companies in the exploration, development and mining stage face a variety of risks and, while unable to eliminate all of them, the Group aims at managing and reducing such risks as much as possible. The Group faces a variety of risk factors such as project feasibility and practicability, risks related to determining the validity of mineral property title claims, commodities prices, general changes in laws and environmental laws and regulations. Management monitors its activities and those factors that could impact them in order to manage risk and make timely decisions.

Significant risk factors have been identified by the Company and are listed below. Further discussion and additional risk factors are also available in the Company's most recent Annual Information Form, as filed on SEDAR at www.sedar.com.

Risks and uncertainties the Company considers material in assessing its consolidated financial statements are described below.

Meridian will require additional funding

As at December 31, 2021 the Group had positive working capital of $7,214,576 which included cash of $9,059,798, prepaid expenses and other assets of $321,755 and trade and other payables, taxes and fees payable, and provisions of $2,166,977.

The Company has historically relied upon both equity and shareholder contributions, loan facilities and private placements to satisfy its capital requirements and will likely continue to depend upon these sources to finance its activities. The Group's exploration portfolio will require additional capital to carry out planned exploration programs. There can be no assurances that the Company will be successful in raising the desired level of financing.

Mitigation

The Company maintains strong relationships with shareholders and has ongoing investor relations programs targeting new investors. The Company commenced trading on TSX. As a result of this graduation, the Company will become more accessible, with stable liquidity to a broader range of investors.

Meridian is subject to government regulation

The Group's mineral activities, including exploration, development and mining activities are subject to various laws governing exploration, development, production, taxes, labour standards and occupational health, mine safety, environmental protection, toxic substances, land use, water use and other matters. Failure to comply with applicable laws and regulations may result in civil, administrative, environmental or criminal fines, penalties or enforcement actions, including orders issued by regulatory authorities curtailing the Group's operations or requiring corrective measures, any of which could result in the Group incurring substantial expenditures. No assurance can be given that new rules and regulations will not be enacted or that existing rules and regulations will not be applied in a manner which could limit or curtail exploration, development or mining operations.

Mitigation

The Group maintains collaborative and proactive dialogue with the relevant government departments and adheres to the required permitting process and title requirements. The Group engages personnel and consultants experienced in the various aspects of the licensing and permitting process to ensure that it maintains compliance with applicable laws and regulations.

Exploration, development and mining activities can be hazardous and involve a high degree of risk

The Group's operations are subject to all the hazards and risks normally encountered in the exploration, development and mining industry, including, without limitation, unusual and unexpected geologic formations, seismic activity, rock bursts, pit-wall failures, cave-ins, flooding and other conditions involved in the drilling and removal of material, any of which could result in damage to, or destruction of, mines and other producing facilities, damage to life or property, environmental damage and legal liability. Milling operations, if any, are subject to various hazards, including, without limitation, equipment failure and failure of retaining dams around tailings disposal areas, which may result in environmental pollution and legal liability.

Mitigation

The Group employs experienced and trained personnel to ensure effective day-to-day management of its activities. It has stringent health and safety policies in place, regular health and safety briefings and inspections, including ongoing health and safety mandatory trainings for its team.

Meridian may be adversely affected by fluctuations of mineral prices

The value and price of the Company's common shares, the Group's financial results, and exploration, development and mining activities of the Group, if any, may be significantly adversely affected by declines in mineral prices. Mineral prices fluctuate widely and are affected by numerous factors beyond the Company's control such as interest rates, exchange rates, inflation or deflation, global and regional supply and demand, and the political and economic conditions of mineral producing countries throughout the world.

Mitigation

The Board and senior management closely monitor commodity prices and other events that may influence commodity prices in order to access how these changes could affect the Company's ability to raise funds

Meridian does not and likely will not insure against all risks

The Group's insurance will not cover all the potential risks associated with mining operations. The Group may also be unable to maintain insurance to cover these risks at economically feasible premiums. Insurance coverage may not continue to be available or may not be adequate to cover any resulting liability. Moreover, insurance against risks such as environmental damages, pollution or other hazards as a result of the exploration and production is not generally available to the Group or to other companies in the mining industry on acceptable terms. The Group might also become subject to environmental liability or other hazards which may not be insured against or which we may elect not to insure against because of premium costs or other reasons. Losses from these events may cause Meridian to incur significant costs that could have a material adverse effect upon its financial condition and results of operations.

Mitigation

The Group is rehabilitating areas affected in the previous manganese operations according to the best environmental practices, complying with applicable laws and regulations.

Meridian is dependent on key personnel

The Group's success depends in part on its ability to recruit and retain qualified personnel. Due to its relatively small size, the loss of the services of one or more of such key management personnel could have a material adverse effect on the Group. In addition, despite its efforts to recruit and retain qualified personnel, even when those efforts are successful, people are fallible and human error could result in a significant uninsured loss to the Group.

Mitigation

The Board and senior management assess periodically the levels of compensation to ensure that they are competitive and motivating to attract, hold and inspire senior management and key personnel.

Meridian's officers and directors may have potential conflicts of interest

Meridian's directors and officers may serve as directors and/or officers of other public and private companies and devote a portion of their time to manage other business interests. This may result in certain conflicts of interest. To the extent that such other companies may participate in ventures in which the Company is also participating, such directors and officers may have a conflict of interest in negotiating and reaching an agreement with respect to the extent of each company's participation.

Mitigation

Applicable laws require the Directors and Officers to act honestly, in good faith, and in the best interests of the Company and its shareholders and in the case of Directors, to refrain from participating in the relevant decision in certain circumstances.

Operations in Brazil and Regulatory Requirements

The Group's principal properties are located in Brazil and mineral exploration and mining activities may be affected in varying degrees by changes in political, social and financial stability, inflation and changes in government regulations relating to the mining industry. Any changes in regulations or shifts in political, social or financial conditions are beyond the control of the Group and may adversely affect its business. Operations may be affected in varying degrees by government regulations with respect to restrictions on production, price controls, export controls, income taxes, expropriation of property, environmental legislation, and mine safety. Brazil's status as a developing country may make it more difficult for the Company to obtain any financing required for the exploration and development of its properties due to real or perceived increased investment risk. Since January 1996, there are no restrictions on the repatriation from Brazil on the earnings of foreign entities, provided that the foreign investments are duly registered before the Central Bank of Brazil. Capital investments registered with the Central Bank in Brazil may similarly be repatriated. The only restrictions to repatriation on the earnings/dividends of foreign entities deriving from Brazilian invested companies are in the cases of subscribed capital not fully paid in by the foreign investor, or in case the Brazilian invested company has accumulated losses registered in its balance sheet. In any case, there can be no assurance that restrictions on repatriation of earnings and capital investments from Brazil will not be imposed in the future.

Mitigation

The Board and senior management monitors closely the political and economic scenarios in Brazil in order to act accordingly in an event that could impact the continuity of the Group's operation or the return of its investments in Brazil. The Group also retains personnel, consultants, and advisors with extensive knowledge of Brazil.

Permits, licenses and approvals

In Brazil where the Group carries out exploration activities, the mineral rights are owned by the relevant governments. These governments have entered into contracts with the Group or granted permits or concessions that allow it to carry out operations or development and exploration activities there, but government policy could change. Any change that affects the Group's rights to conduct these activities could have a material and adverse effect on the Group.

In addition, mineral exploration and mining activities can only be conducted by entities that have obtained or renewed exploration or mining permits and licenses in accordance with the relevant mining laws and regulations. The duration and success of each permitting effort are contingent upon many factors we do not control. In the case of foreign operations, government approvals, licenses and permits are, as a practical matter, subject to the discretion of the applicable governments or governmental officials. There may be delays in the review process. There is no guarantee that we will be granted the necessary permits and licenses, that they will be renewed, or that we will be in a position to comply with all conditions that are imposed.

All mining projects require a wide range of permits, licenses and government approvals and consents. It is not certain that Meridian will be granted these at all, or in a timely manner. If it does not receive them for its mineral projects or is unable to maintain them, it could have a material and adverse effect on the Group.

Mitigation

The Group maintains collaborative and proactive dialogue with the relevant government departments and adheres to the required permitting process and title requirements. The Group engages personnel and consultants experienced in the various aspects of the licensing and permitting process to ensure that it maintains compliance with applicable laws and regulations.

Risks Inherent in Acquisitions

The Group may actively pursue the acquisition of exploration, development and production assets consistent with its acquisition and growth strategy. From time to time, the Group may also acquire securities of or other interests in companies with respect to which it may enter into acquisitions or other transactions. Acquisition transactions involve inherent risks, including but not limited to: accurately assessing the value, strengths, weaknesses, contingent and other liabilities and potential profitability of acquisition candidates; ability to achieve identified and anticipated operating and financial synergies; unanticipated costs; diversion of management attention from existing business; potential loss of the Group's key employees or key employees of any business acquired; unanticipated changes in business, industry or general economic conditions that affect the assumptions underlying the acquisition; and decline in the value of acquired properties, companies or securities. Additionally, the legal form of these acquisitions may result in the Group becoming liable for the historical operations of the acquisition.

To acquire properties and companies, the Group may be required to use available cash, incur debt, issue additional Common Shares or other securities, or a combination of any one or more of these. This could affect the Group's future flexibility and ability to raise capital, to explore, develop and operate its properties and could dilute existing shareholders and decrease the trading price of the Common Shares. There is no assurance that when evaluating a possible acquisition, the Group will correctly identify and manage the risks and costs inherent in the business to be acquired. There may be no right for the Group shareholders to evaluate the merits or risks of any future acquisition undertaken by the Group, except as required by applicable laws and regulations.

Coronavirus (COVID-19) pandemic

The current outbreak of novel Coronavirus (COVID-19) and any future emergence and spread of similar pathogens may have the potential to cause severe impact on global economy and market dislocation, which may adversely impact the Group's operations, its suppliers, contractors and service providers´ operations, the ability to obtain financing and maintain necessary liquidity, and the ability to explore the Group's properties. The outbreak and all the measures being taken in response to COVID-19 have generated an unprecedented level of uncertainty globally causing significant volatility in commodity prices. Governments worldwide, including the Canadian, Brazilian and UK governments, enacted extraordinary acts and measures to limit spread of the virus which included restrictions such as quarantines, business closures and travel restrictions. While these effects are expected to be temporary, the situation is dynamic, and all business disruptions and related financial impacts cannot be reasonably estimated at this time.

The Group cannot estimate what will be the extent of this outbreak and the potential financial and material impact on the Group since travel restrictions and other government measures may also adversely impact the Group's exploration, the ability of the Group to advance its projects and to obtain financing and maintain necessary liquidity.

Mitigation

The group implemented certain policies to mitigate the impact of COVID-19 on its operations. The main steps taken were:

- Enhanced medical protocols for rapid isolation, care and transport should anyone show any symptoms;
- Mandatory testing preceding arrival or upon arrival to site;
- Virtual meeting protocols for corporate, Board and shareholder meetings;
- Increased cleaning and sanitizing of public spaces and transportation vehicles; and
- Regular communication to promote preventive measures and ensure proper protocols are followed.

Buffer Zone Surrounding Povo Cinta Larga Indigenous Land

The Company has been advised that due to certain Jaburi tenements being in close proximity to indigenous title land, Jaburi could be affected by a civil public action ("Ação Civil Pública") between two Brazilian government departments, namely the Brazilian Federal Prosecutor's Office ("FPO") and ANM.

Jaburi currently owns several tenements, which border the Povo Cinta Larga indigenous land. Due to illegal diamond mining activities by nonrelated third parties within the Povo Cinta Larga indigenous land and surrounding areas (the so-called Roosevelt Reserve comprised of 2.7 million hectares, located in the south side of the State of Rondônia), in 2005 the FPO filed a civil public action against the ANM. The FPO is requesting the ANM to refrain from granting new mining authorizations and to withdraw all existing mining authorizations within the indigenous land of Povo Cinta Larga and surrounding 10km area adjacent to the indigenous land ("Cinta Larga Buffer Zone").

In 2008, the lower federal court Judge prevented mining companies from doing business in indigenous areas, except for the 10km Cinta Larga Buffer Zone. This decision is favorable to Jaburi's interests. The Cinta Larga Buffer Zone concept is a result of Environmental Law discussions in Brazil. In 2013, the Federal Court of Appeals for the First Circuit ("TRF-1") reviewed and amended the lower federal court decision to include the Cinta Larga Buffer Zone within the indigenous areas. ANM filed appeals to overrule the TRF-1 decision, however, none of these appeals have yet been reviewed by the Superior Court of Justice ("Superior Tribunal de Justiça" or "STJ") and the Federal Supreme Court ("Supremo Tribunal Federal" or "STF").

On November 10, 2021, the Justice Luiz Fux, STF President, confirmed that the TRF-1 decision must prevail over this case. As a consequence, ANM is prohibited to granting new mining authorizations for areas located within the 10km Cinta Larga Buffer Zone. Also, the effectiveness of any and all mining authorizations already granted by ANM in connection with the 10km Cinta Larga Buffer Zone is suspended until the STF finally reviews the merits of the case.

If there is a final and non-appealable decision regarding the imposition of a 10km Cinta Larga Buffer Zone, this would have an impact on Jaburi's tenements as some of Jaburi's tenements straddle or are wholly within the proposed 10km Cinta Larga Buffer Zone.

Mitigation

Jaburi has retained local Brazilian counsel to monitor this issue who is following up closely the civil public action.

Requirement to report consolidated financial statements under International Financial Reporting Standards ("IFRS") in Canada

As the Company was listed at TSX-V, as of December 31, 2021, there are additional requirements to report audited consolidated financial statements under the exchange rules prepared under IFRS and audited in accordance with Canadian generally accepted auditing standards. The consolidated and parent financial statements below have been prepared in accordance with IFRS in conformity with the requirements of the Companies Act 2006 and audited in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. During the year ended December 31, 2020, the difference in standards used caused certain differences in the accounting treatment mainly related to the debt restructure agreements in note 7, items a (ii) and (iv) and note 13, in section Treasury share cancellation.

Statement by the Directors in performance of their statutory duties in accordance with Section 172(1) Companies Act 2006

The Directors of Meridian, in line with their duties under section 172 of the Companies Act 2006, consider, that they have acted in the way they consider, in good faith, would be most likely to promote the success of the Company for the benefit of its members and stakeholders in the decisions that it has taken during the year ended December 31, 2021.

Through working collaboratively with management and having an open and transparent dialogue with the Company´s many stakeholders, the Board believes that Meridian has been able to develop a clear understanding of their needs, assess their perspectives and is well positioned to promote the success of the Company. Meridian's strategy is outlined in the Strategic Report, section Strategy (page 3).

As part of the Board's decision-making process, the Directors consider the potential impact of decisions on relevant stakeholders, including the impact of the Group's operations on the community and environment, responsible business practices and the likely consequences of decisions in the long term. The Board of Directors has considered the following matters, amongst others:

Availability and need for capital whether in the form of equity, debt or other sources of financing

The Company has historically relied upon capital contributions and debt facilities provided by its shareholders, to maintain an adequate level of cash to satisfy its capital and operating requirements.

During the year ended December 31, 2021, the Company closed a private placement with gross proceeds totalling $8,402,140 and received cash proceeds of $3,990,773 pursuant to the exercise of warrants, agent's compensation units, agent's compensation options warrants and stock options.

The Company will need to secure new funding to advance the development of its Portfolio. The ability of the Company to arrange additional financing in the future will depend, in part, on the prevailing capital market conditions and exploration successes. There can be no assurance that these initiatives will be successful, or sufficient financing, will be available.

Increase long-term value for shareholders

Meridian's vision is to create sustainable value for its stakeholders by discovering and developing high quality resource assets. The Company's current focus is to undertake exploration, resource evaluation and development studies on its 100% optioned Cabaçal Cu-Au Project in the state of Mato Grosso, Central West Brazil. The Group has expanded its footprint in this district, separately secured an additional licence at the southern limit of the Project's VMS belt, increasing the Cabaçal tenure from 18,462 to 28,324 Hectares, and has secured 48,561 Hectares of licenses within the parallel Jaurú & Araputanga greenstone belts to the west, covering prioritised geophysical and geochemical targets defined by BP Minerals in the 1980's.

The Group also has three projects in the State of Rondônia Espigão Cu - Au polymetallic ("Espigão"), Mirante da Serra ("Mirante") – manganese ("Mn") and Ariquemes - tin ("Sn") in the north of Brazil; together ("the Portfolio"). The Group's long-term focus is on its Cu-Au projects and will seek a JV partner or a buyer for non-core projects to unlock shareholder value.

The impact of the Group's operations on the community and the environment

Given the nature of the Group´s business, the Board places significant value on these relationships and the Group´s operating and development plans are specifically designed to build upon them.

Some of the actions adopted:

- Environmental and community relationships are managed directly by employees, residents in Rondônia and in Mato Grosso;
- Professional compensation packages for landowners impacted by the Group´s activities are agreed to in advance;
- Safety and environmental improvements are continuously monitored and upgraded;
- Pro-active fauna awareness campaigns with employees.

As outlined in the Key performance indicators section, the Group has implemented an improved rehabilitation process whereby rehabilitation is incorporated into the exploration activities sequence providing lower operational costs and a more rapid return of impacted land back to the owners with enhanced land values.

The Environmental, Health and Safety Policy has been adopted to affirm the Group's commitment to protecting the environment as well as the health and safety of its directors, officers, employees and consultants and the communities in which the Company conducts its activities. Pursuant to the Environmental, Health and Safety Policy, management, under the Board's supervision, will ensure that environmental, health and safety policies, programs, and performance standards are an integral part of our planning and decision-making. The Company's directors, officers, employees and consultants are responsible and accountable for compliance and have an obligation to bring issues forward to management for resolution. The full text of the Environmental, Health and Safety Policy is available for download on the Company's website at www.meridianmining.co

Interests of the Group´s employees

The Directors recognize that Meridian employees are key to its success and to the delivery of the Group´s strategic ambitions. The success of the Group's business depends on attracting, retaining, and motivating employees. The Group seeks to remain a responsible employer regarding pay and benefits, whilst health, safety and well-being of our employees is one of the primary considerations, how we undertake our business.

The Company has a Compensation Committee that consists of Messrs. Charles Riopel (Chair) and John Skinner and Mrs. Susanne Sesselmann, all of whom are independent Directors. The Compensation Committee implemented a written charter which was last updated on April 13, 2022. A copy of the charter is available on the Company's website at www.meridianmining.co. The Compensation Committee's mandate is to, among others:

- reviewing the Group's overall compensation philosophy;
- discharge the Board's responsibilities relating to compensation of the Company's executive officers;
- recommend levels of executive compensation that are competitive and motivating in order to attract, hold and inspire the chief executive officer, senior officers and other key employees and for recommending compensation for directors; and
- administer the Company's stock option plan.

As at December 31, 2021, the balance of the stock options outstanding to directors, employees and consultants was 14,702,096 options that are currently exercisable with a weighted-average fair value of CAD 0.48 per option. For further details, please refer to note 11.

The need to foster business relationships with suppliers and others

The specialist nature of its activities, and the location of the Group´s operations, limits the diversity of the supplier base that the Group can access. The Board has been involved in decisions regarding the selection of suppliers and contractors for material capital and operational expenditures, balancing a desire to support local business and to avoid becoming overly reliant on any single supplier.

Maintenance of standards of business conduct

The Board has a role in ensuring that a business is sustainable in the long term. The Board places significant importance on operating to the highest ethical standards, whether this be in relations to government, suppliers, shareholders or employees.

The Board adopted a Code of Business Conduct and Ethics on December 21, 2016, which was last updated on April 13, 2022. The Company's Code of Business Conduct and Ethics affirms the Group's commitment to uphold high moral and ethical principles and specifies the basic norms of behaviour for those conducting business on its behalf. While the Group's business practices must be consistent with the business and social practices of the communities in which the Group operates, the Group believes that honesty is the essential standard of integrity in any locale. Thus, though local customs may vary, the Group's activities are to be based on honesty, integrity and respect. The Group's Code of Business Conduct and Ethics is posted on the Company's website at www.meridianmining.co. In addition to the Group's Code of Business Conduct and Ethics, each director, officer and employee is expected to comply with relevant corporate and securities laws and, where applicable, the terms of their employment agreements.

Key strategic decisions

The key strategic decisions made by the Board during 2021 were:

- Appointment of three additional Independent Directors and appointment of Mr. Gilbert Clark as Executive Chairman and Mr. Charles Riopel as Lead Independent Director;
- Approval and closing of a private placement with gross proceeds totalling $8,402,140,
- Approval of the Joint Venture with Orosur Mining Inc for the tin exploration projects of Ariquemes. Orosur Mining Inc has the right to invest up to USD 3,000,000 for a 75% project equity;
- Migration to TSX in April 2022

By order of the Board

"Gilbert Clark"

Mr. Gilbert Clark
Director

June 1, 2022

Directors' Report

Directors

The Directors who held office during the year ended December 31, 2021, and for which this Annual Report has been produced were as follows:

Mr. Gilbert Clark	Mr. John Skinner (appointed January 20, 2021)
Dr. Adrian McArthur	Mr. Mark Thompson (appointed January 20, 2021)
Mr. Charles Riopel	Ms. Susanne Sesselmann (appointed October 27, 2021)

During the year ended December 31, 2021:

- On January 26, 2021 the Company announced changes to the Board of Directors, Mr. Gilbert Clark was appointed Executive Chairman, while Mr. Charles Riopel stepped down but took on the role of Lead Independent Director. The Board was expanded with the appointments, on January 20, 2021, of Mr. John Skinner and Mr. Mark Thompson as Independent Directors.
- On October 27, 2021, Ms. Susanne Sesselmann was appointed to Meridian's Board of Directors, as an Independent Director.

Directors' Responsibilities Statement

The Directors are responsible for preparing the Annual Report and financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the financial statements in accordance with International Financial Reporting Standards (IFRSs), in conformity with the requirements of the Companies Act 2006 and parent company financial statements, in accordance with International Financial Reporting Standards, (IFRSs) in conformity with the requirements of the Companies Act 2006. Under Company law, the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs and profit or loss of the Group and parent company for that period. In preparing the financial statements, the directors are required to:

- Select suitable accounting policies and then apply them consistently;
- Make judgments and accounting estimates that are reasonable and prudent;
- State whether applicable IFRSs, in conformity with the requirements of the Companies Act 2006 have been followed for the Group financial statements and IFRSs, in conformity with the requirements of the Companies Act 2006 have been followed for the Company financial statements, subject to any material departures disclosed and explained in the financial statements; and
- Prepare the financial statements on the going concern basis, unless it is inappropriate to presume that the Group and parent company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Group and parent company's transactions and disclose with reasonable accuracy at any time the financial position of the Group and parent company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Group and parent company and, hence, for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Disclosure of information to auditor

The Directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the Group's auditor is unaware; and each Director has taken all the steps that he/she ought to have taken as a Director to make himself aware of any relevant audit information and to establish that the Group's auditors is aware of that information.

Employees, health and safety

The Group is an equal opportunity employer and encourages diversified culture in workplace. Disclosures in respect of how the directors have engaged with employees regarding their interests are included in section *"Interests of the Group´s employees"* in the Strategic Report, page 18.

To promote employee´s engagements, management regularly holds team meetings to communicate on factors that affect Group´s performance. Safety remains one of number one priorities and one of Group´s core values.

The Group is always working to continue to improve personal and process safety. All Group´s employees and contractors have the responsibility to stop unsafe work and perform tasks under Group´s safety rule guide to stay safe.

Results and dividends

The Group comprehensive loss for the year amounts to $38,017,903 (December 31, 2020 - loss of $9,092,229). To date, the Company has never declared or paid cash dividends to its shareholders.

Any future determination relating to Group´s dividend policy will be made at the discretion of the Board and will depend on a number of factors including future earnings, capital requirements, contractual restrictions, financial condition and other factors that the Board may deem relevant from time to time.

Matters referred to in the Strategic Report

Future developments, principal risks and uncertainties and the fostering of the Group´s business relationships disclosures required in the Directors' Report are included in the Strategic Report.

Post balance sheet events

Refer to Subsequent Events (note 19).

Indemnification of Directors and Officers

During the financial year, the Company purchased directors' and officers' insurance. In general terms, the insurance cover indemnifies individual directors and officers of the Group against certain personal legal liabilities and legal defence costs for claims arising out of actions connected with Group business.

Independent Auditor

Adler Shine LLP have expressed their willingness to continue as auditor and a resolution to re-appoint Adler Shine LLP will be proposed at the Annual General Meeting.

Directors' Interests

	Number of shares owned	
	December 31, 2021	**December 31, 2020**
Adrian McArthur	185,000	185,000
Gilbert Clark	1,179,800	997.200
Charles Riopel	1,229,632	666,666
John Skinner[(1)]	4,039,166	-
Mark Thompson[(1)]	3,571,500	-
Susanne Sesselmann[(2)]	20,000	-
Total	**10,225,098**	**852,663**

[(1)] Mr. Skinner and Mr. Thompson were appointed to the Board on January 20, 2021
[(2)] Ms. Sesselmann was appointed to the Board on October 27, 2021

Going Concern

To continue as a going concern, the Company will need to secure new funding. The ability of the Company to arrange additional financing in the future will depend, in part, on the prevailing capital market conditions and exploration successes. There can be no assurance that these initiatives will be successful, or sufficient financing, will be available. These material uncertainties cast significant doubt as to the ability of the Group to meet its business plan and obligations as they come due and, accordingly, the appropriateness of the use of accounting principles applicable to a going concern. The Company will continue to assess new sources of financing available and to manage its expenditures to reflect current financial resources in the interest of sustaining long term viability.

These financial statements do not include adjustments to the recoverability and classifications of recorded assets and liabilities and related expenses that might be necessary should the Company be unable to continue as a going concern. Such adjustments could be material.

The recoverability of the amounts shown for mineral properties is dependent on the existence and economic extraction of resources, the capacity to obtain financing to complete the development of such resources, the ability to obtain the necessary licenses and permits and meet the Group's obligations under various agreements, stability or increases in future commodity prices, and the success of future operations or dispositions of the mineral properties.

By order of the Board

"Gilbert Clark"

Mr. Gilbert Clark June 1, 2022
Director
6th Floor, 65 Gresham Street, London EC2V 7NQ United Kingdom

Independent Auditor's Report to the members of Meridian Mining UK Societas

For the purpose of this report, the terms "we" and "our" denote Adler Shine LLP in relation to UK legal, professional and regulatory responsibilities and reporting obligations to the members of Meridian Mining UK Societas. For the purpose of the 'Key Audit Matters' section below and how our audit addressed the key audit matters, the terms "we" and "our" refer to Adler Shine LLP and/or our component teams.

Opinion

We have audited the financial statements of Meridian Mining UK Societas (the "Parent Company") and its subsidiaries (the "Group") for the year ended 31 December 2021 which comprise the Consolidated Statement of Profit and Loss and Other Comprehensive Income, the Consolidated and Parent Company Statement of Financial Position, the Consolidated and Parent Company Statement of Changes in Equity, the Consolidated and Parent Company Statement of Cash Flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in the preparation of the Group and Parent Company financial statements is applicable law and UK adopted International Financial Reporting Standards ("IFRSs").

In our opinion:

- the financial statements give a true and fair view of the state of the Group's and of the Parent Company's affairs as at 31 December 2021 and of the Group's and Parent Company's loss for the year then ended;
- the Group financial statements have been properly prepared in accordance with UK adopted International Financial Reporting Standards;
- the Parent Company financial statements have been properly prepared in accordance with International Financial Reporting Standards in conformity with the requirements of the Companies Act 2006; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Group and the Parent Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, 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 relating to going concern

We draw your attention to the policy on Going Concern (note 29.3 to the financial statements), which indicates that the financial statements have been prepared on the going concern basis. The Board has referred to the fact that the Group and Parent Company are reliant on future fund raising to continue its activities as budgeted and that there can be no assurances that initiatives to raise funds will be successful, or that sufficient financing will be available. Should future fund raising be unsuccessful, this may cast significant doubt to the Group and Parent 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 judgement, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) we identified, including those which had the greatest effect on: the overall audit strategy, the allocation of resources in the audit; and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

The key audit matters identified were:

- **Going concern**

Area of focus

With reference to note 29.3 to the financial statements, the Directors' have concluded that the Group and Parent Company will need to secure new funding in order to continue as a going concern.

At the balance sheet date, the Group has working capital of $7.2m which includes cash and cash equivalents of $9.1m, prepaid expenses and other assets of $0.3m and current liabilities of $2.2m.

If the Group were not a going concern, assets and liabilities would need to be recognised at their recoverable value and full provision made in respect of related expenses that might be necessary, were the Group unable to continue as a going concern. Such adjustments could be material.

Whilst there can be no assurances that the Group will be successful in securing new funds, the Directors are of the view that the Group has the ability to manage its expenditure and assess new sources of financing so as to be able to realize its assets and discharge its liabilities in the normal course of business as they become due, for not less than twelve months from the date of approval of these financial statements.

How our audit addressed the area of focus

We have discussed with the Directors' their plans and intentions in respect of the operating activities.

We assessed the reasonableness and support for the judgements underpinning management's forecast, as well as the sensitivity of projections to these judgements.

We have assessed the Group's resources and ongoing commitments and the reasonableness within management's plans and objectives.

Our conclusion of management's use of the going concern basis of accounting, including their highlighted concerns in respect of the potential ability to continue as a going concern is included in the going concern section of the report above.

- **Accounting for the revaluation and exercise of warrants**

Area of focus

A warrant issued in a non-functional currency of the Company is a derivative liability and should be re-measured to fair value at the end of each reporting period, with any changes in fair value recognised in profit or loss for the period.

In addition, amounts in respect of warrants classified as financial liabilities are revalued immediately prior to settlement. Any change in fair value is recognised through profit and loss.

During the year, parties exercised approximately 35.45 million warrants, due to the share price appreciation, which has had a significant impact on the P&L.

How our audit addressed the area of focus

We have performed audit procedures on the assumptions applied to the valuation model to calculate the fair value of the warrants and the resulting impact to the profit and loss.

For warrants exercised, we vouched to cash received, re-calculated the fair value adjustment (where applicable) and vouched to shares issued.

Our work did not identify any issues with the accounting treatment in respect of the revaluation and exercise of warrants.

- **Valuation of the Parent Company's Investment in subsidiary entities and the recoverability of loans due from subsidiary entities**

Area of focus

There is a risk that the assets relating to the Parent Company's investment in subsidiaries, and loans due from subsidiaries are not correctly impaired due to inadequate identification or calculation of any such impairment.

The risk arises from management's impairment review in accordance with IAS 36 "Impairment of assets", the accuracy of management's identification of cash generating unit(s) and the impairment of loans provided to subsidiaries in accordance with IFRS 9 "Financial instruments".

How our audit addressed the area of focus

We reviewed management's impairment assessment, including their assessment of indicators for impairment. We reviewed management's analysis of indicators of impairment and discussed key factors with management.

We concluded that the amounts in respect of the Parent Company's investment in subsidiaries and loans due from subsidiaries have been appropriately measured and presented in the financial statements.

- **Valuation of Property, plant & equipment and Exploration & evaluation assets**

Area of focus

With reference to note 5, the Group holds Exploration and evaluation assets. These assets must be reviewed for impairment in accordance with IFRS 6 "Exploration for and evaluation of mineral resources" and where appropriate IAS 36 "Impairment of assets". In accordance with IFRS 6, management must review whether there have been any indicators of impairment of the Exploration & evaluation assets based on factors which may indicate impairment. Determining any impairment of these assets will require the exercise of management judgement.

In 2019, the Group decided to put the mine in Care & Maintenance, due to the continued depressed manganese ore price. As a result, an impairment charge of $8.9m was charged to the 2019 profit and loss account in respect of the right-down of Property, plant & equipment ("PPE") and Exploration & evaluation assets.

The remaining PPE is expected to be used as part of the Group's exploration plans and the remaining Exploration & evaluation assets relate to historical cost of mining property rights.

In accordance with IAS 36 and IFRS 6, management assessed for any indication that the PPE and the Exploration & evaluation assets are impaired. Management concluded that there were no indicators.

How our audit addressed the area of focus

We reviewed management's impairment assessment, including their assessment of indicators for impairment. We reviewed management's analysis of indicators of impairment and discussed key factors with management.

We reviewed board minutes and budgets to review the progress of projects.

We concur with conclusions reached by management regarding the impairment indicator assessment, and we concluded that the amounts in respect of PPE and Exploration & evaluation assets have been appropriately measured and presented in the financial statements.

Our application of materiality

The scope of our audit was influenced by our application of materiality. Our definition of materiality considers the value of error or omission on the financial statement that, individually or in aggregate, would change or influence the economic decisions of a reasonably knowledgeable user of those financial statements. Misstatement below these levels will not necessarily be evaluated as immaterial as we also take account of the nature of identified misstatements, and the particular circumstances of their occurrence, when evaluating their effect on the financial statements as a whole. Materiality is used in planning the scope of our work, executing that work and evaluating the results.

Materiality for the Group was set at $223,000 which is based on 6% of the Group's net assets.

Materiality for the Parent Company was capped at $223,000 so as not to exceed Group materiality.

In our professional judgement, this benchmark is considered appropriate as it reflects the current investment nature of the business, representing a key performance indicator for users of the financial statements in assessing the Group's financial performance. Each component of the Group was audited to a lower level of materiality.

Our approach to the audit

In designing our audit approach, we determined materiality and assessed the risks of material misstatement in the financial statements. Procedures were designed and performed to address the risks identified. The audit was planned to ensure that the audit team obtained sufficient and appropriate audit evidence in relation to the significant operations of the Group for the year ended 31 December 2021. This included the performance of full statutory audits on each of the significant subsidiary undertakings.

Significant components were subjected to full scope audits for the purpose of our audit report on the Group financial statements. The component not considered to be significant was subject to specific risk focused audit procedures designed to address identified risks which could potentially result in material misstatement of the Group financial statements.

Use of component auditors

Our audit of the Group financial statements also involved the use of component auditors. The group audit team discussed and agreed the proposed approach to the audit procedures to be performed and the nature and form of their reporting on the results of their work. The group audit team interacted regularly with the component audit teams. This included reviewing and discussing their working papers, assumptions and conclusions in their work.

The work over the components gave us coverage of material areas of the financial statements and we performed additional work as necessary to ensure we had the evidence needed to form our opinion on the financial statements as a whole.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The Directors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements or a material misstatement of the other information. 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.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Group and the Parent Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or the Directors' Report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the Parent Company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of Directors

As explained more fully in the Directors' Responsibilities Statement (page 20), the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for assessing the Group's and the Parent 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 the Directors either intend to liquidate the Group or the Parent Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the 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 ISAs (UK) 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 financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud.

The procedures and the extent to which these are capable of detecting irregularities, including fraud is detailed below:

- We obtained an understanding of the legal and regulatory framework that the Group and Parent Company operates in, focusing on those laws and regulations that had a direct effect on the financial statements. We obtained an understanding in this regard through discussions with management and the application of our cumulative audit knowledge and experience of this sector. The key laws and regulations we considered in this context included the Companies Act 2006 and applicable tax legislation.
- Enquiry of management to identify any instances of non-compliance with laws and regulations.
- We considered the nature of the industry and sector, control environment and business performance including the design of the Group's remuneration policies, key drivers for Director's remuneration, bonus levels and performance targets.
- Discussing matters among the audit engagement team regarding how and where fraud might occur in the financial statements and potential indicators of fraud.
- Undertaking appropriate sample-based testing of bank transactions.
- We addressed the risk of fraud arising from management override of controls by performing audit procedures which included, but were not limited to: the testing of journals; enquiries of management, review of minutes and announcements, reviewing accounting estimates for evidence of bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.
- At a significant component level, we engaged with the component auditors to ensure that they had conducted an extensive review into whether the operating subsidiary was fully compliant with laws and regulations at a local level, and reviewed their work conducted into the posting of journal entries to ensure there were no instances of fraud detected at a local level.

Due to the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the Parent Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Parent Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone, other than the Parent Company and the Parent Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Alexander Chrysaphiades FCA (Senior Statutory Auditor)
for and on behalf of
Adler Shine LLP
Chartered Accountants and Statutory Auditor
Aston House
Cornwall Avenue
London N3 1LF

Date: June 1, 2022

Consolidated Statement of Profit and Loss and Other Comprehensive Loss

for year ended December 31, 2021

	Note	**2021**	**2020**
		$	$
Revenue		**-**	241,019
Cost of sales	*1*	**-**	(253,158)
Gross loss		**-**	(12,139)
Exploration and evaluation expenses	*1*	**3,533,194**	443,703
General and administration expenses	*1*	**1,943,763**	1,218,742
Professional fees		**534,026**	592,370
Community relations		**-**	257
Share-based payments	*11*	**3,027,640**	49,266
Care and maintenance expenses		**345,970**	393,377
Gain on Sale of property, plant and equipment and goodwill		**(18,551)**	(222,918)
Depreciation		**48,025**	79,229
Operating loss		**(9,414,067)**	(2,566,165)
Mark-to-market revaluation of warrants	*11*	**(28,564,576)**	(3,940,613)
Loss on extinguishment of debt		**-**	(244,636)
Gain on derivative liability		**-**	351,270
Finance income (expense)		**582,134**	(597,976)
Foreign exchange		**(185,571)**	(557,139)
Net financing expense		**(28,168,013)**	(4,989,094)
Loss before tax		**(37,582,080)**	(7,555,259)
Income tax expense	*3*	**-**	23,000
Loss for the year		**(37,582,080)**	(7,532,259)
Other comprehensive (loss) income			
Items that are or may be reclassified subsequently to profit or loss:			
Foreign currency translation differences – foreign operations		**(435,823)**	(1,559,969)
Other Comprehensive loss for the year, net of income tax		**(435,823)**	(1,559,969)
Total comprehensive loss for the year		**(38,017,903)**	(9,092,229)
Net loss attributable to:			
Equity holders of the parent		**(37,582,080)**	(7,532,259)
Non-controlling interest		**–**	–
		(37,582,080)	(7,532,259)
Total comprehensive loss attributable to:			
Equity holders of the parent		**(38,017,903)**	(9,092,229)
Non-controlling interest		**–**	–
Total comprehensive loss for the year		**(38,017,903)**	(9,092,229)
Basic and diluted loss per common share	*10*	$ (0.30)	$ (0.09)

Consolidated Statement of Financial Position

	Note	**December 31, 2021** $	December 31, 2020 $
Non-current assets			
Property, plant and equipment	*4*	**748,063**	220,701
Exploration and evaluation assets	*5*	**6,057,012**	6,008,048
		6,805,075	6,228,749
Current assets			
Inventories		**-**	11,010
Cash and cash equivalents		**9,059,798**	4,516,136
Prepaid expenses and other assets	*6*	**321,755**	183,108
		9,381,553	4,710,254
Total assets		**16,186,628**	10,939,003
Current liabilities			
Trade and other payables	*8*	**912,953**	510,563
Provisions	*12*	**410,218**	422,950
Taxes and fees payable	*9*	**843,806**	415,467
		2,166,977	1,348,980
Non-current liabilities			
Provisions	*12*	**$ 98,860**	$ 157,418
Taxes and fees payable	*9*	**95,652**	1,177,192
Warrant Liability	*11*	**17,540,791**	5,031,394
		17,735,303	6,366,004
Total liabilities		**19,902,980**	7,714,984
Net assets		**(3,715,652)**	3,224,019
Equity attributable to equity holders of the parent			
Share capital	*13*	**1,814,863**	1,184,781
Share premium	*13*	**101,373,646**	73,841,872
Reserves		**6,843,426**	4,362,873
Deficit attributable to common shareholders		**(113,747,587)**	(76,165,507)
Total equity		**(3,715,652)**	3,224,019

These financial statements were approved and authorised for issue on June 1, 2022 and were signed on its behalf by:

"Gilbert Clark"
Mr. Gilbert Clark
Director
Company registered number: SE000111

"Charles Riopel"
Mr. Charles Riopel
Director

Consolidated Statement of Changes in Equity

	Share Capital		Reserves						
	Share capital	**Share premium**	**Conversion Note Reserve**	**Share based payments**	**Warrant reserve**	**Other Reserves**	**Accumulated other comprehensive loss**	**Deficit**	**Total – shareholders' capital attributable to parent**
	$	$	$	$	$	$	$	$	$
Balance at 1 January 2020	1,775,220	58,493,031	462,185	2,089,882	13,447	–	(12,025,433)	(68,877,884)	(18,069,552)
Share-based payments	–	–	–	49,266	–	–	–	–	49,266
Shares issued on private placement	797,207	4,048,640	–	–	–	–	–	–	4,845,847
Share issuance costs	–	(316,682)	–	–	146,002	–	–	–	(170,680)
Exercise of stock options	8,110	49,091	–	(20,627)	–	–	–	–	36,574
Exercise of warrants	787	10,490	–	–	–	–	–	–	11,277
Debt settlement transactions (note 7)	135,105	11,557,302	–	–	–	13,676,472	–	244,636	25,613,515
Share surrender as a gift (note 13)	(1,531,648)		–	–	–	1,531,648	–	–	–
Comprehensive loss for the period	–	–	–	–	–	–	(1,559,969)	(7,532,259)	(9,092,228)
Balance at 31 December 2020	1,184,781	73,841,872	462,185	2,118,521	159,449	15,208,120	(13,585,402)	(76,165,507)	3,224,019
Share-based payments	–	–	–	3,027,640	–	–	–	–	3,027,640
Shares issued on private placement	172,711	8,229,429	–	–	–	–	–	–	8,402,140
Share issuance costs	–	(397,499)	–	–	–	–	–	–	(397,499)
Exercise of stock options	1,565	16,505	–	(8,137)	–	–	–	–	9,933
Exercise of warrants	421,466	19,400,105	–	–	–	–	–	–	19,821,571
Exercise of agent's compensation options	34,340	283,234	–	–	(103,127)	–	–	–	214,447
Comprehensive loss for the period	–	–	–	–	–	–	(435,823)	(37,582,080)	(38,017,903)
Balance at 31 December 2021	1,814,863	101,373,646	462,185	5,138,024	56,322	15,208,120	(14,021,225)	(113,747,587)	(3,715,652)

Consolidated Cash Flow Statement

for year ended December 31, 2021

	Note	**2021**	2020
		$	$
Cash flows from operating activities			
Loss for the year		**(37,582,080)**	(7,532,259)
Adjustments for:			
Accrued finance expense		**-**	415,732
Depreciation	*4*	**48,025**	79,229
Mark-to-market revaluation of warrants	*11*	**28,564,576**	3,940,613
Gain on sale of property plant and equipment		**(18,551)**	(222,918)
Share-based payments	*11*	**3,027,640**	49,266
Loss on extinguishment of debt	*7*	**-**	244,636
Gain on derivative liability	*7*	**-**	(351,270)
Unrealized foreign exchange		**185,570**	550,900
Reversal of taxes and fees payables	*9*	**(688,065)**	329,772
		(6,462,885)	(2,496,300)
Decrease in trade and other receivables		**-**	717,860
Increase in prepaid expenses and other assets		**(164,048)**	(9,055)
Decrease in inventories		**10,249**	205,591
(Decrease)/increase in trade and other payables		**306,923**	(467,980)
Decrease in provisions		**(33,115)**	(147,504)
Decrease in taxes and fees payables	*9*	**(150,855)**	-
		(30,846)	298,912
Net cash used in operating activities		**(6,493,731)**	(2,197,388)
Cash flows from investing activities			
Acquisition of exploration and evaluation assets	*5*	**(351,521)**	(25,000)
Acquisition of property, plant and equipment	*4*	**(608,699)**	-
Proceeds from sale of property, plant and equipment		**18,551**	277,632
Net cash used in investing activities		**(941,669)**	252,632
Cash flows from financing activities			
Proceeds from the issue of share capital, net of transaction costs	*13*	**8,004,641**	5,771,724
Proceeds from the exercise of options		**9,933**	36,574
Proceeds from the warrants of options		**3,980,839**	5,501
Net cash from financing activities		**11,995,413**	5,813,799
Net increase in cash and cash equivalents		**4,560,013**	3,869,043
Cash and cash equivalents at 1 January		**4,516,136**	530,322
Effect of exchange rate fluctuations on cash held		**(16,351)**	116,771
Cash and cash equivalents at 31 December		**9,059,798**	4,516,136

Notes
(forming part of the financial statements)

1 Expenses and auditors' remuneration

Cost of Sales included in the profit/loss is comprised of the following:

		2021		2020
Inventory costs	**$**	**-**	$	185,672
Royalties and taxes		**-**		59,368
Freight expenses		**-**		8,118
Total	**$**	**-**	$	253,158

Exploration and evaluation expenses included in the profit/loss is comprised of the following:

		2021		2020
Assays	**$**	**295,994**	$	20,632
Consulting – geological		**212,882**		95,125
Consulting – geophysical		**136,551**		-
Consulting – engineering		**106,414**		-
Drilling		**1,091,941**		-
Equipment and maintenance		**221,987**		16,125
Fees and licenses		**44,139**		158,342
Field expenditures and road construction		**370,455**		8,020
Vehicle expenses		**92,362**		-
Other		**93,688**		9,877
Payroll		**701,166**		124,351
Survey		**34,368**		-
Room and boarding		**131,247**		11,231
Total	**$**	**3,533,194**	$	443,703

General and administrative expenses included in the profit/loss is comprised of the following:

		2021		2020
Consulting	**$**	**12,838**	$	78,973
Investor relations and shareholder communication		**456,836**		97,907
Insurance		**116,847**		117,990
Management and director fees		**591,142**		439,806
Office and miscellaneous		**133,080**		75,136
Payroll		**355,248**		190,710
Rent		**17,658**		20,298
Subscriptions and licenses		**34,414**		23,392
Telephone and information technology		**56,381**		74,970
Travel		**66,942**		14,996
Other taxes		**-**		58,029
Other		**102,377**		26,535
Total	**$**	**1,943,763**	$	1,218,742

Auditor's remuneration:

	2021	2020
Audit of these financial statements		
Amounts receivable by the company's auditors and their associate in respect of:		
Auditor's remuneration (UK)	**51,309**	27,360
Auditor's remuneration (UK) Non-audit services	**-**	14,353
	$ 51,309	$ 41,713

2 Staff numbers and costs

The average number of persons employed by the Group (including directors and officers at the subsidiary level) during the year, analysed by category, was as follows:

	Number of employees	
	2021	2020
Employees	**50**	28
Management and Directors	**10**	7
	60	35

The aggregate payroll costs of these persons were as follows:

	2021	2020
Wages, salaries, management and directors' fees	**$ 1,608,733**	$ 1,124,391
Share based payment	**1,858,577**	49,266
Social security costs	**129,652**	336,735
Expenses related to employee benefits	**84,476**	68,139
	$ 3,681,438	$ 1,578,531

3 Taxation

Recognised in the income statement

	2021	2020
Current tax expense	**$ -**	$ (23,000)
Deferred tax expense (recovery)	**-**	-
Total income tax expense (recovery)	**$ -**	$ (23,000)

Reconciliation of effective tax rate

	2021	2020
Loss for the year	**$ (37,582,080)**	$ (7,555,259)
Total tax expense (recovery)	**-**	-
Loss excluding taxation	**(37,582,080)**	(7,555,259)
Statutory corporation tax rate of 19% (2020: 19%)	**(7,140,595)**	(1,435,000)
Foreign tax rate differential	**(824,000)**	(542,000)
Statutory permanent differences	**1,673,000**	(139,000)
Losses and deductible temporary differences not recognized	**6,291,595**	2,093,000
Total tax expense (recovery)	**$ -**	$ (23,000)

The significant components of deferred tax assets and liabilities as at year-end are as follows:

	December 31, 2021	December 31, 2020
Exploration and evaluation assets	$ (113,000)	$ (114,000)
Property, plant and equipment and other	-	-
Loss carry forwards	113,000	114,000
Net deferred tax assets (liabilities)	$ -	$ -

The significant components of the Company's deductible temporary differences, and unused tax losses that have not been recognized on the statement of financial position are as follows:

	December 31, 2021	December 31, 2020
Temporary differences:		
Environmental provision	$ 268,000	$ 330,000
Loss carry forwards	60,466,000	30,654,000
Provisions	703,000	1,531,000
Property, Plant & Equipment	1,832,000	3,035,000

Loss carry forwards consist of Canadian tax losses of $3,103,000, which expire between 2036 and 2041, United Kingdom losses of $33,966,000 which have no expiry date and Brazilian tax losses of $23,397,000, which have no expiry date, however only 30% of the taxable income in one year can be applied against the loss carry-forwarded balance. The ability of the Company to access unrecognized tax losses and other deductions in Canada has been restricted as a result of the 2016 acquisition of control of Cancana. Tax attributes are subject to review, and potential adjustment, by tax authorities.

On 24 May 2021, the UK Government enacted that from 1 April 2023 the corporation tax rate would increase to 25% for companies with profits of over £250,000. A small profits rate will also be introduced for companies with profits of £50,000 or less so that they will continue to pay corporation tax at 19%. From this date companies with profits between £50,000 and £250,000 will pay tax at the main rate reduced by a marginal relief providing a gradual increase in the effective corporation tax rate. The group is not aware of any forthcoming corporation tax rate changes in other jurisdictions in which it operates.

4 Property, plant and equipment

Cost:	Land	Vehicles, machinery and equipment	Office furniture and other	Total
Balance, January 1, 2020	$ 93,848	$ 1,238,278	$ 188,709	$ 1,520,835
Disposals	-	(600,345)	(68,038)	(668,383)
Currency adjustment	(21,182)	(269,233)	(41,431)	(331,846)
Balance, December 31, 2020	72,666	368,700	79,240	520,606
Additions	-	586,578	22,121	608,699
Currency adjustment	(4,916)	(44,172)	(6,085)	(55,173)
Balance, December 31, 2021	$ 67,750	$ 911,106	$ 95,276	$ 1,074,132

Accumulated depreciation:	Land	Vehicles, machinery and equipment	Office furniture and other	Total
Balance, January 1, 2020	-	$ (934,821)	(130,949)	(1,065,770)
Additions	-	(45,706)	(33,523)	(79,229)
Disposals	-	545,631	68,038	613,669
Currency adjustment	-	202,458	28,967	231,425
Balance, December 31, 2020	-	$ (232,438)	(67,467)	(299,905)
Additions	-	(42,270)	(5,755)	(48,025)
Currency adjustment	-	17,111	4,750	21,861
Balance, December 31, 2021	$ -	$ (257,597)	$ (68,472)	$ (326,069)

Net book value:	Land	Vehicles, machinery and equipment	Office furniture and other	Total
December 31, 2020	$ 72,666	$ 136,262	$ 11,773	$ 220,701
December 31, 2021	$ 67,750	$ 653,509	$ 26,804	$ 748,063

5 Exploration and evaluation assets

Summary of exploration and evaluation assets:

Balance as at January 1, 2020	$ 7,700,032
Additions	
Option payment – Cabaçal project	25,000
Foreign currency adjustment	(1,716,984)
Balance as at December 31, 2020	6,008,048
Additions:	
Option payment – Cabaçal project	275,000
Option payment – Mirante da Serra project	13,913
Acquisition of new areas – Cabaçal project	149,753
Acquisition of new areas – Espigão project	10,435
Foreign currency adjustment	(400,137)
Balance as at December 31, 2021	$ 6,057,012

Title to mineral property interests

Title to mineral property interests involves certain inherent risks due to the difficulties of determining the validity of certain claims as well as the potential for problems arising from the frequently ambiguous conveyancing history characteristic of many mineral claims. Title to mineral properties is also subject to the laws and regulations in Brazil, which can be subject to change and may impact the Group's title to its mineral properties. Jaburi and Rio Cabaçal have investigated title to all of its mineral properties and, to the best of its knowledge, titles to all of its interests are in good standing. However, this should not be construed as a guarantee of title. The concessions may be subject to prior claims, agreements or transfers and rights of ownership may be affected by undetected defects.

Espigão Project, Rondônia

In connection with the loan settlements described in note 7, the Group issued a net smelter return royalty ("NSR") to SGRFIV, as follows:

- 3% on Espigão polymetallic;
- 3% Mirante da Serra manganese;
- 3% Ariquemes tin; and
- 100% of the royalty on each project can be bought back by the Group for $2,000,000 for each project or $6,000,000 for all 3 projects. The Group has determined that there is currently no value related to this buy-back feature.

During the year ended December 31, 2021, the Group acquired new areas adjacent to the Espigão Project through the Brazilian National Mining Agency's ("ANM", Agência Nacional de Mineração) auction process for a total of $10,435.

Mirante da Serra, Rondônia
On July 24, 2019 the Group entered into an option agreement to acquire a 100-per-cent interest in the Mirante da Serra manganese project, in Rondônia, Brazil. Following a sequential process related to project and administrative milestone achievements, the Company may at its election, acquire the project for a cumulative consideration of 1,140,000 Brazilian real (approximately $204,500). The Group is required to make staged payments as follows:

- 40,000 Brazilian reals upon signing (paid);
- 75,000 Brazilian reals upon approval of the final report by the ANM and title transfer to Meridian (paid);
- 125,000 Brazilian reals on the Meridian Board of Directors' approval of a positive Economic Mining Plan (Plano de Aproveitamento Econômico ("PAE"));
- 150,000 Brazilian reals following the ANM approval of PAE;
- 250,000 Brazilian reals at one-year anniversary of ANM approval of PAE; and
- 500,000 Brazilian reals upon grant and publication of a valid mining licence (Lavra).

The project is subject to a 0.5% NSR, which the Company may purchase back for one million Brazilian real.

Cabaçal Project, Mato Grosso

On November 6, 2020 the Group entered into a definitive Purchase Agreement to acquire a 100% beneficial interest in the Cabaçal Copper-Gold Project ("Cabaçal") in the state of Mato Grosso, Brazil, for a total consideration of $8,750,000 plus, at the option of the vendors, 4,500,000 Meridian shares or CAD 1,350,000, from two private Brazilian companies, Prometálica Mineração Ltda. and IMS Engenharia Mineral Ltda (the "Vendors"). During the year ended December 31, 2021, the Group changed the terms of the second payment and assigned the Purchase Agreement related to the Cabaçal project to its subsidiary Rio Cabaçal and, after the year end, changed the terms of the third payment (note 19 c). The Group is required to make staged payments based on milestones achieved as follows:

- $25,000 payable within 5 days of the execution of the option agreement (paid);
- $275,000 payable by October 15, 2021, as the transfers of the mineral rights to Rio Cabaçal Mineração Ltda were filed with ANM (paid);

- $1,750,000 payable on August 1, 2023, unless accelerated upon completion of an equity financing for gross proceeds of at least $2,500,000, provided completion of successful drilling program and historical geophysics database validation (note 20);
- 1,000,000 common shares in the capital of the Company or CAD 300,000, at the option of the Vendors, subject to completion of technical report on the estimate of the resource in accordance with National Instrument 43-101;
- $1,850,000 plus, at the option of the vendors, 1,500,000 common shares in the capital of the Company or CAD 450,000, within 9 months of the fourth payment and subject to the successful completion of the positive economic feasibility study;
- $2,250,000 payable plus, at the option of the vendors, 2,500,000 common shares in the capital of the Company or CAD 600,000, up to 30 days after the Installation License ("LI") of the Cabaçal Project plant is issued by the competent authorities; and
- $2,600,000 payable within 45 days after the signature by the Group of the definitive financing contracts for the construction of the Cabaçal Project plant.

There is a historic 1.5% NSR associated with the Santa Helena project, which is part of Cabaçal. Cabaçal is located within the buffer zone of Brazil's frontier ("Border Buffer Zone"). The Border Buffer Zone is a political protection zone and not an economic exclusion zone. The terms of the proposed Agreement give the Group the option, under certain conditions, to return the mineral rights to the Vendors on a "as is" basis, without any obligation to making any outstanding payments and to comply with other obligations.

During the year ended December 31, 2021, the Group acquired new areas adjacent to the Cabaçal project through the ANM's auction process for a total of $149,763.

6 Prepaid Expenses and other assets

		2021		2020
Current:				
Tax credits	**$**	**17,748**	$	19,329
Tax recovery		**24,000**		24,000
Prepaid expenses and advances		**280,007**		139,779
Total	**$**	**321,755**	$	183,108

The Group is required to pay certain taxes in Brazil that are based on purchases of consumables and property, plant and equipment. These taxes are recoverable from the Brazilian tax authorities through various methods, including as a cash refund or as a credit against current taxes payable.

7 Interest-bearing loans and borrowings

This note provides information about the contractual terms of the Group's interest-bearing loans and borrowings, which are measured at amortised cost. For more information about the Group's exposure to interest rate and foreign currency risk, see Strategic Report.

		2021		2020
Balance, beginning of year	**$**	-	$	24,786,099
Borrowings (b.(iv), b.(v))		-		-
Interest expense		-		473,189
Debt settlement (a)		-		(25,259,288)
Balance, end of year	**$**	-	$	-

a. Standstill Agreement and Debt Settlements:

In March 2020, the Company signed amendment and stand-still agreements with Sentient Global Resources Fund IV L.P. ("SGRFIV") and The Sentient Group Limited ("TSG") extending the maturity date of all loans from March 31, 2020 to July 30, 2020 and reducing the interest rates to 0% effective April 1, 2020.

Subsequent to entering into the amendment and stand-still agreements, the Company completed various restructuring transactions with SGRFIV and TSG resulting in the settlement of the amounts outstanding. Each of these restructuring transactions is considered to be a substantial modification of the previous debt agreement and therefore the prior carrying amounts have been settled and the consideration which was issued by the Company has been accounted for at fair value, with all transaction costs being expensed as incurred.

Debt settlement gains related to the restructuring transactions with SGRFIV have been recognized as a capital contribution in equity as SGRFIV owned in excess of 87% of the Company's voting common shares at the time of the restructuring transactions and therefore was considered to be acting in the interests of a shareholder rather than a creditor. Debt settlement loss related to the restructuring transaction with TSG has been recognized in the consolidated statement of loss and other comprehensive loss as TSG was considered to be acting in the interests of a creditor. TSG was a third party when TSG entered into the restructuring transaction with the Company.

The following is a summary of the restructuring transactions at settlement dates:

	Carrying Value of Loan Extinguished	Form of consideration given	Valuation of consideration	Equity – Other reserves	Gain (loss) on Settlement
SGRFIV:					
(i)	$ 10,861,715	Consolidated facility agreement	$ 1,123,119	$ 9,738,596	$ -
(ii)	10,500,000	Common shares	10,500,000	-	-
(iii)	3,166,027	Net smelter royalties	-	3,166,027	-
	24,527,742		11,623,119	12,904,623	-
TSG					
(iv)	1,192,406	Common shares	1,437,043	-	(244,636)

(i) Consolidated Facility Agreement with SGRFIV

Effective on the closing of the July 15, 2020 private placement, the Company replaced debt of $10,343,397 in exchange for a non-interest bearing loan facility of CAD 14,674,177 maturing on March 31, 2022 ("Consolidated Facility"). Any outstanding balance of the loan facility at maturity will be converted into common shares of Meridian at a conversion rate of CAD 2.50 per common share. The Company can elect to settle the loan facility in cash at any time without premium and has the option to convert the loan to common shares at the same conversion rate prior to maturity if or when the Company meets a financing target of CAD 7,093,500 (this condition was met upon completion of the December 21, 2020 private placement (note 13). The Company had also agreed to assume SGRFIV's future withholding tax obligation owing when the interest portion of the debt is ultimately settled with SGRFIV by Meridian. The Consolidated Facility Agreement is secured against certain inter-company loans between Meridian and its subsidiary Jaburi and all the shares of Jaburi.

The Consolidated Facility was determined to be a financial liability containing an embedded derivative asset related to the Company's contingent share conversion option. The Company elected to measure the entire hybrid instrument at fair value through profit and loss. On initial recognition, the Consolidated Facility was recognized at fair value of $1,123,119. The difference between the carrying amount of the settled debt ($10,861,715) and the fair value of the loan facility was $9,738,596 and it was recognized as a capital contribution to other reserves. The withholding tax obligation related to the Consolidated Facility is $369,295 (December 31, 2020 – $1,000,146).

During the year ended December 31, 2020, the Company completed two non-brokered private placements with total proceeds of CAD 7,822,800. As result, the Consolidated Facility's financing target of CAD 7,093,500 was met on the closing date of the December 21, 2020 financing (note 13) resulting in the Company now having the option to settle the outstanding Consolidated Facility with a fixed number of common shares

(5,869,670 common shares) at any time through to maturity. Upon effectiveness of the issuer conversion provision, the Company had a substantive right to settle the liability with their own shares and therefore the instrument was reclassified to equity. The fair value of the Consolidated Facility liability of $771,849 on December 21, 2020 was reclassified to other reserves as an equity instrument, resulting in no gain or loss on extinguishment.

The Company recorded a gain of $351,270 due to change in the fair value of the loan facility, measured at FVTPL, through to its reclassification to equity on December 21, 2020.

Subsequent to year end, the Company issued 5,869,670 common shares settling the Consolidated Facility as per the terms of the agreement and 509,795 common shares settling the withholding taxes. (note 19 (e)).

(ii) Debt Conversion Agreement with SGRFIV

The Company issued 5,958,540 common shares on July 16, 2020 to SGRFIV to settle debt of $10,500,000. The transaction was accounted for as a debt extinguishment and the Company's common shares were valued using the closing trading price of Meridian's common shares on July 16, 2020, the date of debt extinguishment. The difference between the fair value of consideration and the carrying amount of the debt extinguished has been recognized as a capital contribution to other reserves, totalling $9,051,302.

(iii) Royalty Purchase and Debt Settlement Agreement and Net Smelter Royalty Agreement between Cancana and SGRFIV

Cancana issued to SGRFIV a 2% net smelter returns royalty ("Royalty") to settle the debt of $3,166,027. The effective date of the extinguishment was June 2, 2020, the date Cancana received approval from TSX-V. The Company had also agreed to assume SGRFIV's future withholding tax obligation owing when the interest portion of the obligation is paid to SGRFIV by Cancana. The fair value of the Royalty valued at inception was $nil and the difference from the carrying amount of the debt extinguished was recognized as a capital contribution to other reserves, totalling $3,166,027. As at December 31, 2020, the fair value royalty obligation was estimated to be $nil. The withholding tax payable is $221,725 (December 31, 2020 - $176,783).

In June 2020, the Company agreed to increase the Royalty from 2% to 3%. TSX-V approval for the increase was received on September 22, 2020.

The 3% net smelter returns royalty is over the following projects:

- 3% on Espigão polymetallic;
- 3% Mirante da Serra manganese;
- 3% Ariquemes tin; and
- 100% of the royalty on each project can be bought back for $2,000,000 for each project or $6,000,000 for all 3 projects. The Company has determined that there is currently no value related to this buy-back feature.

Certain conditions and restrictions apply to be followed by Jaburi and Cancana regarding the title maintenance and assignment of the projects contemplated in the Royalty Agreement.

(iv) Debt Conversion Agreement with TSG

The Company issued 5,910,602 common shares on July 16, 2020, at a conversion price of CAD $0.30 per common share, to The Sentient Group's nominees to settle debt of $1,249,863. The Company had also agreed to assume TSG's future withholding tax obligation owing when the interest portion of the obligation is paid to TSG by Meridian. The transaction was accounted for as a debt extinguishment, resulting in a loss on extinguishment of $244,636. The withholding tax payable is $71,821 (December 31, 2020 - $57,457).

8 Trade and other payables

	December 31, 2021	December 31, 2020
Trade and other payables	$ 612,795	$ 363,873
Payroll liabilities	146,130	52,398
Other liabilities	154,028	94,292
Total	$ 912,953	$ 510,563

9 Taxes and fees payable

	December 31, 2021	December 31, 2020
Current:		
Taxes and fees payable *(i)*	$ 73,711	$ 79,059
Withholding taxes and other taxes related to debt restructuring *(ii)*	704,990	292,532
Other	65,105	43,876
	843,806	415,467
Non-Current:		
Taxes and fees payable *(i)*	95,652	177,046
Withholding taxes and other taxes related to debt restructuring *(ii)*	-	1,000,146
	95,652	1,177,192
Total	$ 939,458	$ 1,592,659

(i) Restructuring of Brazilian taxes and fees liabilities

During the year ended December 31, 2020, the Group enrolled in an instalment payment program on certain unpaid taxes and fees related to the year ended December 31, 2019. Under the program the Group will pay the outstanding taxes and fees, plus accrued penalties and interests, in equal instalments over a period of 36 to 60 months.

The status of each instalment program can be summarized as follow:

a) Brazilian social security taxes. The total taxes payable of $131,544 will be repaid in equal monthly instalments over 38 months, adjusted for inflation.
b) Brazilian ANM fees. The total fees payable of $37,819 will be repaid in equal monthly instalments over 13 months, adjusted for inflation.

As a result, the Group classified as long-term liabilities the amount of $95,652.

(ii) Withholding taxes and other taxes related to debt facilities

Certain taxes totalling $704,990 (December 31, 2020 - $1,292,678), including $nil (December 31, 2020 - $1,000,146) as long-term liability, were accrued in connection with the debt restructuring transactions described in note 7. During the year ended December 31, 2021, the Company partially reversed the withholding taxes related to the Consolidated Facility Agreement with SGRFIV and, as a result, $688,065 was included as Finance income in the Consolidated Statement of Loss.

10 Loss per share – Group

	For the year ended December 31, 2021	For the year ended December 31, 2020
Loss for the year used in calculation of basic and diluted loss per share	$ (38,017,903)	$ (9,092,229)
The weighted average number of ordinary shares used for the calculation of basic and diluted loss per share are as follows:		
Weighted average number of common shares used in the calculation of basic and diluted loss per share	126,057,471	103,788,425
Basic and diluted loss per share	**$ (0.30)**	$ (0.09)

11 Warrants and Stock Options

The terms and conditions of the grants are as follows:

	Warrants			Stock Options		
	Number		Weighted Average Exercise Price	Number		Weighted Average Exercise Price
Outstanding January 1, 2020	-	CAD	-	16,220,000	CAD	0.09
Expired	-		-	(1,600,303)		0.13
Granted	57,554,916		0.15	700,000		0.10
Exercised	(65,000)		0.11	(700,000)		0.07
Amendment, reduction in shares issued and outstanding [(i)]	-			(7,545,031)		0.09
Outstanding December 31, 2020	57,489,916	CAD	0.15	7,074,666	CAD	0.09
Expired	-		-	(30,000)		0.45
Granted	-		-	7,794,717		0.82
Exercised	(35,445,065)		0.11	(137,287)		0.09
Outstanding December 31, 2021	22,044,851	CAD	0.17	14,702,096	CAD	0.48
Number currently exercisable	22,044,851	CAD	0.17	14,402,096	CAD	0.48

[(i)] In July 2020, the Company finalized the transaction listed in the Treasury share cancellation section above, the private placement and debt restructuring transactions (note 7) that reduced the Company's common shares issued and outstanding by 50.28%. In August 2020, and in order to comply with the Company's stock option plan, the number of stock options issued were amended and updated to reflect this proportional reduction.

As at December 31, 2021 the following incentive stock options were outstanding:

	Number of Shares	Exercise Price (CAD)	Expiry Date	Remaining Contractual Life (years)
Stock options	397,732	$ 0.44	May 17, 2022	0.38
	6,291,631	0.07	October 22, 2024	2.81
	248,016	0.10	June 2, 2025	3.42
	3,305,000	0.45	February 26, 2026	4.16
	4,459,717	1,10	October 27, 2026	4.83
Warrants	15,628,101	0.11	July 15, 2022	0.54
	6,416,750	0.30	December 21, 2022	0.97
Agent's compensation options	226,710[1]	0.075	July 15, 2022	0.54
	195,026[2]	0.20	December 21, 2022	0.97
Agent's compensation options warrants	631,255[3]	0.11	July 15, 2022	0.54
	42,450[3]	0.30	December 21, 2022	0.97

[1] Each agent's compensation units are exercisable into one unit at a price of CAD 0.075. Each unit comprises one common share and one share purchase warrant. Each share purchase warrant is exercisable into an additional common share at a price of CAD 0.11.
[2] Each agent's compensation units are exercisable into one unit at a price of CAD 0.20. Each unit comprises one common share and one-half share purchase warrant. Each share purchase warrant is exercisable into an additional common share at a price of CAD 0.30.
[3] These are underlying warrants issued upon exercise of the Agent's compensation options

The Company has a stock option plan under which it is authorized to grant options to directors, employees and consultants to acquire up to 10% of the issued and outstanding common shares. The exercise price of each option is based on the market price of the Company's shares for a period preceding the date of grant. The options can be granted for a maximum term of 10 years and vest as determined by the Board of Directors.

In June 2020, the Company granted 700,000 options that vested immediately to an officer. Total share-based payments recognized in the statement of operations for the year ended December 31, 2020 was $49,266 for incentive options granted and vested.

In February 2021, the Company granted 3,335,000 options that vested immediately to directors, officers, employees, advisors, and consultants of the Company. The stock options are exercisable for a term of five years at an exercise price of CAD 0.45 per common share under the term of the Company's stock option plan. Total share-based payments recognized in the statement of loss for the year ended December 31, 2021, were $600,824 for incentive options granted and vested.

In October 2021, the Company granted 4,459,717 options that vested immediately to directors, officers, employees, advisors, and consultants of the Company. The stock options are exercisable for a term of five years at an exercise price of CAD 1.10 per common share under the term of the Company's stock option plan. Total share-based payments recognized in the statement of operations for the year ended December 31, 2021, were $2,426,816 for incentive options granted and vested.

The following weighted average assumptions were used for the Black-Scholes option-pricing model valuation of stock options granted during the years ended on December 31, 2021 and December 31, 2020:

	Options granted in 2021	Options granted in 2020
Risk-free interest rate	1.19%	0.39%
Expected life of options	5 years	5 years
Expected annualized volatility	90.81%	175.84%
Dividend yield	0.0%	0.0%
Forfeiture rate	0.0%	0.0%

Warrants – Derivative Liability

The Company's detachable warrants related to the units issued in the July 15, 2020 and December 21, 2020 private placements have an exercise price denominated in foreign currency (Canadian dollars) and are classified and accounted for as a derivative liability at fair value with changes in fair value included in profit or loss.

On July 15, 2020, the Company issued 46,766,666 warrants and initially allocated $484,685 to the warrant derivative liability. On December 21, 2020, the Company issued 10,788,250 warrants and initially allocated $611,872 to the warrants derivative liability.

During the year ended December 31, 2021, there was a derivative loss of $28,564,576 (2020 - $3,940,613) and a non-current liability balance of $17,540,791 (2020 – $5,031,394) related to the mark-to-market measurement of the warrant derivative liability. The weighted average assumptions used in the Black-Scholes pricing model to calculate the fair value of the warrants, as at December 31, 2021, were: an expected life of 0.47 year; annualized volatility of 83.67%; a risk-free interest rate of 0.95%; and zero expected dividend yield.

12 Provisions

	Environmental provision (i)	Other provisions (ii)	Total
Balance, January 1, 2020	$ 536,446	$ 375,282	$ 911,728
Spent during the period	(196,048)	-	(196,048)
Accretion	10,341	-	10,341
Additions (reversals) during the year	99,046	(60,842)	38,204
Foreign currency adjustment	(119,596)	(64,261)	(183,857)
Balance, December 31, 2020	$ 330,189	$ 250,179	$ 580,368
Spent during the period	(320,949)	(11,131)	(332,080)
Accretion	9,169	-	9,169
Additions (reversals) during the year	270,922	18,874	289,796
Foreign currency adjustment	(20,997)	(17,178)	(38,175)
Balance, December 31, 2021	$ 268,334	$ 240,744	$ 509,078
Represented by:			
December 31, 2020			
Long-term portion	$ 157,418	-	$ 157,418
Current portion	$ 172,771	$ 250,179	$ 422,950
December 31, 2021			
Long-term portion	$ 98,860	-	$ 98,860
Current portion	$ 169,474	$ 240,744	$ 410,218

(i) Environmental provision

Pursuant to Jaburi's operations in Brazil, the Group is required to rehabilitate its plant and colluvial mining sites, as well as remove all plant and equipment. A provision has been recognized for the requirements to rehabilitate these sites environmentally and decommission the plant and equipment. Environmental liabilities required to rehabilitate sites are considered short-term in nature and are included in care and maintenance expenses in the period recognized. Long-term environmental liabilities related to decommissioning the plants are recorded at the present value of the estimated costs, assuming risk-free discount rates of 7,92% (2020 – 5,87%) and are expected to be incurred up to the end of 2023.

(ii) Other provisions

Various legal and regulatory matters are outstanding from time to time due to the nature of the Group's operations. In the event that management's estimate of the future resolution of these matters changes, the Group will recognize the effects of the changes in its consolidated financial statements on the date such charges occur. As at December 31, 2021, the Group has recognized a provision of $240,744 (2020 - $250,179) representing management's best estimates of expenditures required to settle present obligations. The ultimate outcome or actual cost of settlement may vary materially from management estimates due to the inherent uncertainty regarding the Group's estimates.

13 Capital and reserves

Authorized Capital

As at December 31, 2021 the Company is authorized to issue an unlimited number of common shares with a par value of €0.01.

Issued Capital

The Company has 157,110,457 (2020 - 103,788,425) issued and fully paid common shares.

Share capital

Share capital comprises the amount subscribed for at the par value.

Share premium

Share premium comprises the amount subscribed for share capital in excess of par value.

Shares issued

During the year ended December 31, 2021:

The Company issued 35,445,065 common shares for cash proceeds of $3,766,393 pursuant to the exercise of warrants.

The Company issued 2,904,680 common shares for cash proceeds of $214,447 pursuant to the exercise of agent's compensation units and agent's compensation options warrants; the Company reallocated $103,127 of warrant reserve to share capital and share premium in connection with the exercise of these agent's compensation units.

The Company issued 137,287 common shares for cash proceeds of $9,933 pursuant to the exercise of stock options at the exercise price of CAD 0.07 and CAD 0.10 per common share.

The Company issued 14,835,000 common shares for cash proceeds of $8,402,140 pursuant to the Private Placement at the share price of CAD 0.70 per common share.

Private Placement

On October 19, 2021, the Company completed a brokered private placement of 14,835,000 common shares at a subscription price of CAD 0.70 per common share, for aggregate gross proceeds of $8,402,140 (CAD 10,384,500). The Company incurred other share issuance costs of $397,499 on this private placement.

During the year ended December 31, 2020:

On July 15, 2020, the Company completed a non-brokered private placement of 46,766,666 units at a price of CAD 0.075 per Unit, for gross proceeds of CAD 3,507,500 ($2,586,270). Each unit consists of one common share and one non-transferable common share purchase warrant. Each common share purchase warrant is exercisable at a price of CAD $0.11 for a period of 24 months, until July 15, 2022. The Company determined that the fair value of the warrants issued was CAD 657,330 ($484,685). The fair value was determined by using Black-Scholes to perform an iterative calculation to allocate the actual proceeds received between the common shares and the warrants. The assumptions in the Black-Scholes pricing model used to calculate the fair value of the warrants were: an expected life of 1 years; annualized volatility of 103.68%; a risk-free interest rate of 0.27%; and zero expected dividend yield. The Company paid finders fees of CAD 118,732 ($87,548) and issued 1,962,060 agent's compensation option valued at CAD 147,155 ($108,523) as finder's fees in connection with this private placement. The value of the agent's compensation option was determined using the same unit price of the private placement. Each agent's compensation option entitles the holder to purchase a unit at a price of CAD 0.075 per unit expiring July 15, 2022. Each unit related to the compensation option has features consistent with the private placement. The Company incurred other share issuance costs of $34,962 on this private placement. Total transactions costs were $231,033 of which $187,736 were allocated to share premium and $43,297 were recognized through profit and loss.

On December 21, 2020, the Company completed a non-brokered private placement of 21,576,500 units at a price of CAD 0.20 per unit, for gross proceeds of CAD 4,315,300 ($3,356,134). Each unit consists of one common share and one-half of one transferable common share purchase warrant. Each whole share purchase warrant is exercisable at a price of CAD 0.30 for a period of 24 months, until December 21, 2022. The Company determined that the fair value of the warrants issued was CAD 786,742 ($611,872). The fair value was determined by using Black-Scholes to perform an iterative calculation to allocate the actual proceeds received between the common shares and the warrants. The assumptions in the Black-Scholes pricing model used to calculate the fair value of the warrants were: an expected life of 2 years; annualized volatility of 113.23%; a risk-free interest rate of 0.23%; and zero expected dividend yield. The Company paid finders fees of CAD 84,205 ($65,489) and issued 240,950 agent's compensation options valued at CAD 48,190 ($37,479) as finder's fees in connection with this private placement. The value of the agent's compensation option was determined using the same unit price of the private placement. Each agent's compensation option entitles the holder to purchase a unit at a price of CAD 0.20 per unit expiring December 21, 2022. Each unit related to the compensation option has features consistent with the private placement. The Company incurred other share issuance costs of $54,729 on this private placement. Total transactions costs were $157,696 of which $128,946 were allocated to share premium and $28,750 were recognized through profit and loss.

Treasury share cancellation

On July 16, 2020, pursuant to the Share Surrender and Cancellation agreement with SGRFIV entered in June 2020 and after completion of the transactions described in the Debt Conversion Agreement section in note 7, SGRIV has surrendered as a gift 141,011,304 common shares in the capital of the Company. Upon cancellation of the shares, the carrying nominal value of $1,531,648 of the cancelled shares was eliminated from share capital and a corresponding entry was credited to Other Reserves, according to Companies Act 2006 rules.

Reserves - Stock options and warrants

Stock option and share purchase warrant transactions. Please refer to note 11.

Other Reserves

	Recognition and measurement
Convertible note reserve	Convertible note reserve represents the equity component of a convertible note agreement. The convertible note agreement was extinguished and not converted.
Share based payments	Share based payments accounts represent the accrued employee entitlements to share awards that have been charged to the income statement and have not yet been exercised. Once exercised, the difference between the accumulated fair value of the awards and their historical on-market purchase price is recognised in share premium.
Warrant reserve	Warrant reserve represents the accrued amount of agent's compensation option units. Once exercised, the amount accrued is recognised in share premium.
Other reserves	Other reserves represent the debt settlement transactions and the carrying nominal value of the cancelled shares that was eliminated from share capital.
Accumulated other comprehensive loss	Accumulated other comprehensive loss represents exchange difference arising from the translation of non-US dollar functional currency operations within the Group into US dollars.
Deficit	Deficit represents cumulative profits or losses and other adjustments

14 Commitments and Contingencies

A significant portion of the Group's operations are located in Brazil. From time to time various legal, labour, environmental and tax matters are outstanding due to the nature of both current and historical operations. The Group has taken and continues to take all necessary and available steps to comply with relevant laws and regulations, however there is no assurance such steps will be successful.

Royalties

The Group pays royalties to landowners as well as to the Brazilian government. Royalties to landowners are determined based on individual negotiated agreements, usually at a rate of 1.5% of net sales proceeds on the sale of manganese oxide material, while royalties of approximately 3% of sale proceeds on the sale of manganese oxide material are paid to the Brazilian government.

15 Related parties

a) Key management compensation

	2021	2020
Salaries, consulting and directors' fees	$ 777,743	$ 549,472
Share-based payments	1,858,577	49,266

b) Other related party transactions

As at December 31, 2021 the Group had the following balances due to/from entities related by way of common directors and/or management. These amounts, unless otherwise noted, were unsecured and non-interest bearing.

	December 31, 2021	December 31, 2020
Other liabilities - management and board fees	$ 59,450	$ 94,292

16 Capital Management

The capital structure of the Group consists of shareholder's equity (deficiency) totalling ($3,715,652) (2020 – $3,224,019), share capital of $1,814,863 (2020 - $1,184,781), share premium of $101,373,646 (2020 - $73,841,872), reserves of $6,843,426 (2020 – ($4,362,873), and deficit of $113,747,587 (2020 - $76,165,507). The Group's objectives when managing capital are to: (i) preserve capital, (ii) obtain the best available net return, and (iii) maintain liquidity.

The Group manages the capital structure and makes adjustments to it in light of changes in economic condition and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Group may attempt to issue new shares, issue new debt, acquire or dispose of assets or adjust the amount of cash and investments.

The Group's policy is to invest its excess cash in highly liquid, fully guaranteed, bank sponsored instruments. The Group is not subject to externally imposed capital requirements and does not have exposure to asset-backed commercial paper or similar products.

17 Risk Management and financial instruments

Financial instruments

The Group is required to disclose the fair value of each class of financial assets and liabilities in the financial statements. Financial assets and liabilities are classified in the fair value hierarchy according to the lowest level of input that is significant to the fair value measurement. Assessment of the significance of a particular input to the fair value measurement requires judgment and may affect placement within the fair value hierarchy levels.

The hierarchy is as follows:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability either directly (i.e., as prices) or indirectly (i.e., derived from prices).
Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The carrying value of receivables and advances, trade and other payables, and loan payable approximates fair value due to the short-term nature of the financial instruments. Cash is carried at its fair value using level 1 inputs. Warrants derivative liability and financial liability were measured at fair value based on Level 2 inputs.

The principal financial instruments by category are as follows:

Group financial assets and liabilities

	Fair Value through profit and loss		**Amortized Costs**	
	2021	2020	**2021**	2020
Financial assets				
Cash and Cash equivalents	**$ -**	$ -	**$ 9,059,798**	$ 4,516,136
Trade and other receivables	**$ -**	-	**-**	-
Total financial assets	**$ -**	$ -	**$ 9,059,798**	$ 4,516,136
Financial liabilities				
Trade and other payables	**$ -**	$ -	**$ 912,953**	$ 510,563
Warrant liability	**17,540,791**	5,031,394	**-**	-
Loans payable	**-**	-	**-**	-
Total financial liabilities	**$ 17,540,791**	$ 5,031,394	**$ 912,953**	$ 510,563

Group financial assets and liabilities

	Fair Value through profit and loss		Amortized Costs	
	2021	2020	**2021**	2020
Financial assets				
Cash at bank and on hand	**$ -**	$ -	**$ 8,838,073**	$ 4,381,442
Intercompany loans	**-**	-	**6,833,626**	6,289,033
Total financial assets	**$ -**	$ -	**$ 15,671,699**	$ 10,670,475
Financial liabilities				
Trade and other payables	**$ -**	$ -	**$ 292,961**	$ 221,221
Warrant liability	**17,540,791**	5,031,394	**-**	-
Intercompany loans	**-**	-	**738,266**	721,501
Total financial liabilities	**$ 17,540,791**	$ 5,031,394	**$ 1,031,227**	$ 942,722

Risk management

The Group is exposed to various financial instrument risks and assesses the impact and likelihood of this exposure. These risks include, credit risk, currency risk, interest rate risk and liquidity risk. Where material, these risks are reviewed and monitored by the Board of Directors.

Credit risk

Financial instruments that potentially subject the Group to credit risk consist of cash. The Group deposits cash with high credit quality financial institutions as determined by rating agencies.

Currency risk

The international nature of the Group's operations results in foreign exchange risk. The Group's operating costs are primarily in US dollars, Canadian dollars, Brazilian reals and Euros. Hence, any fluctuation of the US dollar in relation to these currencies may affect the profitability of the Group and the value of the Group's assets and liabilities.

The Group holds cash and trade and other payables in Canadian dollars and Brazilian reals; fluctuations in these currencies will, consequently, have an impact upon the Group's profitability and the value of the Group's liabilities. As at December 31, 2021, a 10% appreciation in the US dollar against the Brazilian Real would not result in a significant impact to the Group's earnings before taxes. A 10% appreciation in the US dollar against the Canadian dollar would result in an approximate $884,713 decrease to the Group's earnings before income taxes.

The Group does not use derivative instruments to reduce its exposure to foreign currency risk nor has it entered into foreign exchange contracts to hedge against gains or losses from foreign exchange.

Interest rate risk

The Group's financial assets exposed to interest rate risk consist of cash balances. None of the Group's debt is subject to floating interest rates. The Group does not believe its interest rate risk is significant.

Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its obligations associated with its financial liabilities that are settled by delivering cash or other financial assets.

The Company has historically relied upon capital contributions, related party debt financing and equity financings to maintain an adequate level of cash to satisfy its capital requirements and will continue to depend heavily upon equity financings. All of the Group's trade and other liabilities are subject to normal trade terms.

There can be no assurance that the Company will be able to obtain required financing in the future on acceptable terms. The Group will need additional capital in the future to finance ongoing exploration of its properties, such capital is expected to be derived from the completion of equity financings. The Group has limited financial resources, has no source of operating income and has no assurance that additional funding will be available to it for future exploration and development of its projects, although the Company has been successful in the past in financing its activities through the previously mentioned financing activities.

The ability of the Company to arrange additional financing in the future will depend, in part, on the prevailing capital market conditions as well as on exploration success. In recent years, the securities markets have experienced wide fluctuations in price which have not necessarily been related to the operating performance, underlying asset values or prospects of such companies. There can be no assurance that continual fluctuations in price will not occur. Any quoted market for the common shares may be subject to market trends generally, notwithstanding any potential success of the Group in creating revenue, cash flows or earnings.

The Group cannot estimate the extent of COVID-19 pandemic outbreak, subsequent to December 31, 2021, and its potential impact on the ability to obtain financing and maintain necessary liquidity.

As at December 31, 2021, the Group's non-derivative financial liabilities analysis is as follows:

	December 31, 2021	1 Year	Total
Trade and other payables	$ 912,953	$ -	$ 912,953
Provisions	410,218	98,860	509,078
Taxes and fees payable	843,806	95,652	939,458
	$ 2,166,977	$ 194,512	$ 2,361,489

18 Segment information

The Group's operation is exploration and development of mineral properties in Brazil. Accordingly, management considers the Group to currently have one segment and, therefore, segmented information is not presented.

Sales

All of the Group's sales arose from its operation in Brazil.

19 Subsequent events

a) Warrants, stock options, and agent's compensation options and warrants exercises

Subsequent the year ended December 31, 2021, the Company issued 5,439,958 common shares and received gross proceeds totalling $648,960 related to share purchase warrants, stock options, agent's compensation options and agent's compensation options warrants.

b) Joint Venture with Orosur Mining Inc

On January 13, 2022, the Company signed a Joint Venture Agreement ("JV Agreement") with Orosur Mining Inc. ("Orosur"). The JV Agreement provides a mechanism for a staged earn-in by Orosur into the Ariquemes project mineral concessions currently held via Jaburi.

The terms of the JV Agreement are:

- Orosur or any of its subsidiaries shall have the exclusive right to acquire a 51% interest in the Ariquemes Project by expending $1,000,000 on exploration within an initial 24-month period. Orosur may terminate the Agreement at any time with 60 days' notice during this Period by providing written notice to Meridian;
- Orosur or any of its subsidiaries will be the operator of the joint venture;
- Following the exercise of the first option, Orosur shall have the right to acquire an additional 24% interest in the Ariquemes Project (for an aggregate interest of 75%) by incurring an additional $2,000,000 in exploration expenditures; and
- After the second option period, funding of the JV Agreement would be on a pro rata basis. In the event that either party's interest is diluted to 10% or less, its interest shall be converted to a royalty of 1% of net smelter returns on all minerals thereafter produced. The royalty, which shall be subject to a purchase option of $1,000,000 for the other party, includes customary terms for royalties of this type.

c) Amendment of the Cabaçal Purchase Agreement

On January 28, 2022, the Company secured an Amendment to the Cabaçal Purchase Agreement rescheduling the payment of the 3rd Purchase Price Instalment to August 1, 2023 unless accelerated upon completion of an equity financing for gross proceeds of at least $2,500,000.

d) Grant of stock options

On February 7, 2022, the Company granted 100,000 stock options to a consultant that vested immediately with an exercise price of CAD 1.10 per common share for a term of five years, until February 6, 2027.

On February 24, 2022, the Company granted 75,000 stock options to the Company's Corporate Secretary that vested immediately with an exercise price of CAD 1.10 per common share for a term of five years, until February 24, 2027.

On May 17, 2022, the Company granted 390,000 stock options to a consultant that vested immediately with an exercise price of CAD 0.95 per common share for a term of five years, until May 17, 2027.

e) Conversion of the Consolidated Facility Agreement with SGRFIV

On March 29, 2022, the Company issued 5,869,670 common shares at a conversion rate of CAD 2.50, settling the Consolidated Facility balance of CAD 14,674,177, as per the terms of the agreement. On April 5, 2022, the Company also issued 509,795 common shares to HM Revenue & Customs (“HMRC”, United Kingdom tax authority) as payment of the withholding taxes obligation related to the agreement above.

f) Listing on the Toronto Stock Exchange

The Company’s common shares commenced trading on the Toronto Stock Exchange ("TSX") at market open on April 4, 2022, under the symbol “MNO”. Concurrently with the listing on the TSX, the Company's common shares ceased to trade on the TSX Venture Exchange.

20 Accounting estimates and judgments

The preparation of these consolidated financial statements requires management to make judgments and estimates and form assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and reported amounts of expenses during the reporting period. On an ongoing basis, management evaluates its judgments and estimates in relation to assets, liabilities and expenses. Management uses historical experience and various other factors it believes to be reasonable under the given circumstances as the basis for its judgments and estimates. Actual outcomes may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

Certain estimates and judgments, such as those related to the recoverability of property, plant and equipment, and exploration and evaluation assets, deferred tax assets and liabilities, depreciation and remaining useful life of assets, and disclosure of contingencies depend on subjective or complex judgments about matters that may be uncertain. Changes in those estimates could materially impact these consolidated financial statements.

Material sources of estimation uncertainty include:

Provisions and recognition of a liability for loss contingencies

Judgments are required to determine if a present obligation exists at the end of the reporting period by considering all available evidence, including the opinion of experts. The most significant provisions that require judgment to determine if a present obligation exists are contingent losses related to claims and asset retirement obligation. This includes an assessment of how to account for obligations based on the most recent closure plans and environmental regulations.

Income taxes

In assessing the probability of realizing income tax assets recognized, management makes estimates related to expectations of future taxable income, applicable tax opportunities, expected timing of reversals of existing temporary differences and the likelihood that tax positions taken will be sustained upon examination by applicable tax authorities. In making its assessments, management gives additional weight to positive and negative evidence that can be objectively verified. Where applicable tax laws and regulations are either unclear or subject to ongoing varying interpretations, it is reasonably possible that changes in these estimates can occur that materially affect the amounts of income tax assets recognized. At the end of each reporting period, the Group reassesses unrecognized income tax assets.

The Group's operations involve dealing with uncertainties and judgments in the application of complex tax regulations in multiple jurisdictions. The final taxes paid are dependent upon many factors, including negotiations with tax authorities in various jurisdictions and resolution of disputes arising from tax audits. The Group recognizes potential liabilities and records tax liabilities for anticipated tax audit issues based on its estimate of whether, and the extent to which, additional taxes will be due. The Group adjusts these reserves in light of changing facts and circumstances; however, due to the complexity of some of these uncertainties, the ultimate resolution may result in a payment that is materially different from the Group's current estimate of the tax liabilities. If the Group's estimate of tax liabilities proves to be less than the ultimate assessment, an additional charge to expense would result. If the estimate of tax liabilities proves to be greater than the ultimate assessment, a tax benefit would result.

Share based compensation and mark-to-market revaluation of warrants and embedded derivatives

The Company utilizes the Black-Scholes Option Pricing Model ("Black-Scholes") to estimate the fair value of stock options granted to directors, officers, employees, and consultants and for the mark-to-market revaluation of share purchase warrants. The use of Black-Scholes requires management to make various estimates and assumptions that impact the value assigned to the stock options including the forecast future volatility of the stock price, the risk-free interest rate, dividend yield and the expected life of the stock options.

The Company's financial liability measured at fair value through profit and loss ("FVTPL") requires estimates of valuation inputs including extended hold period discounts, risk-free interest rates and the probability of and the timing of future financing transactions.

Any changes in these assumptions could have a material impact on the share-based compensation calculation value and mark-to-market valuation changes of derivatives and financial liabilities measured at FVTPL. The most significant estimates relate to volatility, hold period discounts and the assessment of the probability of future financing targets being met. Expected future volatility can be difficult to estimate as the Company has had limited history and historical volatility is not necessarily indicative of future volatility.

Critical management judgments:

Recoverability of exploration and evaluation assets

The Group capitalizes the acquisition costs related to its exploration and evaluation assets. This policy requires management to make certain judgments about future events and circumstances. Any such judgments may change as new information becomes available. If, after having capitalized the costs, a judgment is made that recovery of the costs is unlikely, the relevant capitalized amount will be written off to profit and loss.

The recoverability of amounts shown for exploration and evaluation assets is dependent on the existence of economically recoverable reserves, the ability to obtain financing to complete the development of such reserves and meet obligations under various agreements, and the success of future operations or dispositions. If a project does not prove viable, all unrecoverable costs associated with the project net of any related existing impairment provisions are written down to its recoverable amount.

Company Statement of Financial Position

	Note	**December 31, 2021 $**	December 31, 2020 $
Non-current assets			
Financial fixed assets	27	**18,040,668**	12,521,180
Exploration property		**25,000**	25,000
Intercompany loans	28	**6,833,626**	6,289,033
		24,899,294	18,835,213
Current assets			
Prepaid expenses and other assets	.	**194,770**	117,140
Cash at bank and on hand		**8,838,073**	4,381,442
		9,032,843	4,498,582
Total assets		**33,932,137**	23,333,795
Current liabilities			
Trade payables	.	**(292,961)**	(221,221)
Taxes and fees payables	24	**(445,305)**	(115,486)
Intercompany loans	27	**(769,285)**	(721,501)
		(1,507,551)	(1,058,208)
Non-current liabilities			
Warrants liability	26	**(17,540,791)**	(5,031,394)
Taxes and fees payables	24	**-**	(1,000,146)
		(17,540,791)	(6,031,540)
Total liabilities		**(19,048,342)**	(7,089,748)
Net assets		**14,883,795**	16,244,047
Capital and reserves			
Share capital	25	**1,814,863**	1,184,781
Share premium	25	**101,373,649**	73,841,872
Reserves		**17,698,625**	14,782,248
Accumulated deficit		**(73,564,854)**	(52,200,533)
Net result for the year		**(32,438,488)**	(21,364,321)
Shareholders' funds		**14,883,795**	16,244,047

These financial statements were approved and authorised for issue on June 1, 2022 and were signed on its behalf by:

"Gilbert Clark"
Mr. Gilbert Clark
Director
Company registered number: SE000111

"Charles Riopel"
Mr. Charles Riopel
Director

Company Statement of Changes in Equity

	Share capital	Share Premium	Reserves				Retained Earnings	TOTAL
			Convertible note reserve	Share based payments	Other reserves	Warrant reserve		
	$	$	$	$	$	$	$	$
Balance, December 31, 2019	**1,775,220**	**58,493,031**	**462,185**	**2,089,882**	**-**	**13,447**	**(52,200,533)**	**10,633,232**
Shares issued on private placement	797,207	4,048,640	-	-	-	-	-	4,845,847
Share issuance costs	-	(316,682)	-	-	-	146,002	-	(170,680)
Debt settlement transactions (note 7and 23)	135,105	11,557,302			10,510,445	-	244,636	22,447,488
Share surrender as gift (note 7 and 23)	(1,531,648)				(1,531,648)			-
Share-based payments (note 25)	-	-	-	49,266	-	-	-	49,266
Exercise of stock options	8,110	49,091	-	(20,627)	-	-	-	36,574
Exercise of warrants	787	10,490	-	-	-	-	-	11,277
Comprehensive loss for the year	-	-	-	-	-	-	(21,608,957)	(21,608,957)
Balance, December 31, 2020	**1,184,781**	**73,841,872**	**462,185**	**2,118,521**	**12,042,093**	**159,449**	**(73,564,854)**	**16,244,047**
Shares issued on private placement	172,711	8,229,429	-	-	-	-	-	8,402,140
Share issuance costs	-	(397,499)	-	-	-	-	-	(397,499)
Share-based payments (note 25)	-	-	-	3,027,640	-	-	-	3,027,640
Exercise of stock options	1,565	16,505	-	(8,136)	-	-	-	9,934
Exercise of warrants	421,466	19,400,105	-	-	-	-	-	19,821,571
Exercise of compensation option	21,271	193,713	-			(103,127)		111,857
Exercise of compensation option warrant	13,069	89,521	-					102,590
Comprehensive loss for the year	-	-	-	-	-	-	(32,438,488)	(32,438,488)
Balance, December 31, 2021	**1,814,863**	**101,373,646**	**462,185**	**5138,025**	**12,042,093**	**56,322**	**(106,003,342)**	**14,883,792**

Company Cash Flow Statement

for the year ended December 31

	Note	**2021**	2020
		$	$
Cash flows from operating activities			
Loss for the year		**(32,438,488)**	(21,608,957)
Adjustments for:			
Accrued financial expense		**-**	417,411
Accrued financial interest		**(490,769)**	(477,067)
Mark-to-market revaluation of warrants	*26*	**28,564,576**	3,940,613
Impairment of financial fixed assets		**-**	16,389,038
Unrealized foreign exchange loss		**180,438**	518,321
Share based payments expense	*26*	**3,027,640**	49,266
Loss on extinguishment of debt	*7*	**-**	244,636
Gain on derivative liability to FVTPL	*7*	**-**	(351,270)
Reversal of taxes and fees payable	*9 (ii)*	**(688,065)**	1,000,146
		(1,844,668)	122,137
Changes in non-cash working capital items:			
Increase prepaid expenses and other assets		**(77,630)**	(115,664)
(Increase)/decrease intercompany loans		**(6,040)**	58,124
Increase/(decrease) trade payables		**89,478**	(614,351)
		5,808	(671,891)
Net cash used in operating activities		**(1,838,860)**	(549,754)
Cash flows used in investing activities			
Intercompany loans		**-**	60,000
Intercompany investments, capital contributions	*27*	**(5,519,488)**	(1,410,803)
Acquisition of exploration and evaluation assets		**-**	(25,000)
Net cash used in investing activities		**(5,519,488)**	(1,375,803)
Cash flows from financing activities			
Proceeds from private placement financing, net of costs		**8,004,641**	5,771,724
Proceeds from the exercise of options		**9,933**	36,574
Proceeds from the exercise of warrants agent's compensation options and agent's compensation options warrants		**3,980,839**	5,501
Net cash from financing activities		**11,995,413**	5,813,799
Net increase in cash and cash equivalents		**4,637,065**	3,888,242
Cash and cash equivalents at 1 January		**4,381,442**	468,876
Effect of exchange rate fluctuations on cash held		**(180,434)**	24,324
Cash and cash equivalents at 31 December		**8,838,073**	4,381,442

Notes
(forming part of the financial statements)

21 Accounting policies

The accounting policies used for the standalone Company are consistent with the accounting policies for the Group, which have been disclosed in note 29. The accounting policies, unless otherwise stated, been applied consistently to all periods presented in these financial statements. judgments made by the directors, in the application of these accounting policies that have significant effect on the financial statements and estimates with a significant risk of material adjustment in the next year are discussed in note 29 item 17.

22 Remuneration of directors

	2021	2020
Directors' remuneration	**$516,026**	$132,526

The following table provides information regarding compensation paid to the Company's directors during the financial period ended December 31, 2021.

Name	**Fees earned ($)**	**Share-based awards ($)**	**Option-based Awards [1] ($)**	**Non-equity incentive plan compensation ($)**	**Pension Value ($)**	**All Other Compensation ($)**	**Total ($)**
Adrian McArthur [2]	211,384	N/A	325,872	N/A	N/A	Nil	537,256
Gilbert Clark	222,579	N/A	377,146	N/A	N/A	Nil	599,725
Charles Riopel	28,743	N/A	215,146	N/A	N/A	Nil	243,889
Mark Thompson[3]	27,127	N/A	215,146	N/A	N/A	Nil	242,273
John Skinner[3]	22,270	N/A	215,146	N/A	N/A	Nil	237,416
Susanne Sesselmann[4]	3,924	N/A	162,000	N/A	N/A	Nil	165,924
Total	**$ 516,027**	**-**	**$ 1,510,456**	**-**	**-**	**-**	**$ 2,026,483**

(1) The value of the option-based award was determined using the Black-Scholes option-pricing model.
(2) Amount paid through Company and Company's subsidiary, Cancana Resources Corp.
(3) Mr Thompson and Mr. Skinner were appointed to the Board on January 20, 2021.
(4) Ms. Sesselmann was appointed to the Board on October 27, 2021.

23 Interest-bearing loans and borrowings

This note provides information about the contractual terms of the Company's interest-bearing loans and borrowings, which are measured at amortised cost. For more information about the Company's exposure to interest rate and foreign currency risk, see Strategic Report.

		2021	2020
Balance, beginning of year	**$**	**-**	$ 21,675,849
Interest expense accrued		-	417,411
Debt settlement		-	(22,093,260)
Balance, end of year	**$**	**-**	$ -

The Company´s loans payable consists of financial liabilities measured at amortised cost using the effective interest method, as permitted by IFRS 9.

24 Taxes and fees payable

	December 31, 2021	December 31, 2020
Current:		
Withholding taxes and taxes related to debt restructuring	445,961	115,486
	445,961	115,486
Non-Current:		
Withholding taxes and taxes related to debt restructuring	-	1,000,146
	-	1,000,146
Total	$ 445,961	1,115,632

25 Capital and Reserves

Authorized Capital

As at December 31, 2021 the Company is authorized to issue an unlimited number of common shares with a par value of €0.01.

Issued Capital

The Company has 157,110,457 (2020 - 103,788,425) issued and fully paid shares.

Share capital

Share capital comprises the amount subscribed for at the par value.

Share premium

Share premium comprises the amount subscribed for share capital in excess of par value.

Shares issued

During the period ended December 31, 2021:

The Company issued 35,445,065 common shares for cash proceeds of $3,766,393 pursuant to the exercise of warrants.

The Company issued 2,904,680 common shares for cash proceeds of $214,447 pursuant to the exercise of agent's compensation units and agent's compensation options warrants; the Company reallocated $103,127 of warrant reserve to share capital and share premium in connection with the exercise of these agent's compensation units.

The Company issued 137,287 common shares for cash proceeds of $9,933 pursuant to the exercise of stock options at the exercise price of CAD 0.07 and CAD 0.10 per common share.

The Company issued 14,835,000 common shares for cash proceeds of $8,402,140 pursuant to the Private Placement at the share price of CAD 0.70 per common share.

Private Placement

On October 19, 2021, the Company completed a brokered private placement of 14,835,000 common shares at a subscription price of CAD 0.70 per common share, for aggregate gross proceeds of $8,402,140 (CAD 10,384,500). The Company incurred other share issuance costs of $397,499 on this private placement.

During the year ended December 31, 2020:

On July 15, 2020, the Company completed a non-brokered private placement of 46,766,666 units at a price of CAD 0.075 per Unit, for gross proceeds of CAD 3,507,500 ($2,586,270). Each unit consists of one common share and one non-transferable common share purchase warrant. Each common share purchase warrant is exercisable at a price of CAD $0.11 for a period of 24 months, until July 15, 2022. The Company determined that the fair value of the warrants issued was CAD 657,330 ($484,685). The fair value was determined by using Black-Scholes to perform an iterative calculation to allocate the actual proceeds received between the common shares and the warrants. The assumptions in the Black-Scholes pricing model used to calculate the fair value of the warrants were: an expected life of 1 years; annualized volatility of 103.68%; a risk-free interest rate of 0.27%; and zero expected dividend yield. The Company paid finders fees of CAD 118,732 ($87,548) and issued 1,962,060 agent's compensation option valued at CAD 147,155 ($108,523) as finder's fees in connection with this private placement. The value of the agent's compensation option was determined using the same unit price of the private placement. Each agent's compensation option entitles the holder to purchase a unit at a price of CAD 0.075 per unit expiring July 15, 2022. Each unit related to the compensation option has features consistent with the private placement. The Company incurred other share issuance costs of $34,962 on this private placement. Total transactions costs were $231,033 of which $187,736 were allocated to share premium and $43,297 were recognized through profit and loss.

On December 21, 2020, the Company completed a non-brokered private placement of 21,576,500 units at a price of CAD 0.20 per unit, for gross proceeds of CAD 4,315,300 ($3,356,134). Each unit consists of one common share and one-half of one transferable common share purchase warrant. Each whole share purchase warrant is exercisable at a price of CAD 0.30 for a period of 24 months, until December 21, 2022. The Company determined that the fair value of the warrants issued was CAD 786,742 ($611,872). The fair value was determined by using Black-Scholes to perform an iterative calculation to allocate the actual proceeds received between the common shares and the warrants. The assumptions in the Black-Scholes pricing model used to calculate the fair value of the warrants were: an expected life of 2 years; annualized volatility of 113.23%; a risk-free interest rate of 0.23%; and zero expected dividend yield. The Company paid finders fees of CAD 84,205 ($65,489) and issued 240,950 agent's compensation options valued at CAD 48,190 ($37,479) as finder's fees in connection with this private placement. The value of the agent's compensation option was determined using the same unit price of the private placement. Each agent's compensation option entitles the holder to purchase a unit at a price of CAD 0.20 per unit expiring December 21, 2022. Each unit related to the compensation option has features consistent with the private placement. The Company incurred other share issuance costs of $54,729 on this private placement. Total transactions costs were $157,696 of which $128,946 were allocated to share premium and $28,750 were recognized through profit and loss.

Treasury share cancellation

On July 16, 2020, pursuant to the Share Surrender and Cancellation agreement with SGRFIV entered in June 2020 and after completion of the transactions described in the Debt Conversion Agreement described in the Note 7, SGRIV has surrendered as a gift 141,011,304 common shares in the capital of the Company. Upon cancellation of the shares, the carrying nominal value of $1,531,648 of the cancelled shares was eliminated from share capital and a corresponding entry was credited to Other Reserves, according to Companies Act 2006 rules.

Reserves - Stock options and warrants

Stock option and share purchase warrant transactions. Please refer to note 11.

Other Reserves

Refer to note 13.

26 Warrants and Stock Options

The terms and conditions of the grants are as follows:

	Warrants			Stock Options		
	Number		Weighted Average Exercise Price	Number		Weighted Average Exercise Price
Outstanding January 1, 2020	-	CAD	-	16,220,000	CAD	0.09
Expired	-		-	(1,600,303)		0.13
Granted	57,554,916		0.15	700,000		0.10
Exercised	(65,000)		0.11	(700,000)		0.07
Amendment, reduction in shares issued and outstanding [i]	-			(7,545,031)		0.09
Outstanding December 31, 2020	57,489,916	CAD	0.15	7,074,666	CAD	0.09
Expired	-		-	(30,000)		0.45
Granted	-		-	7,794,717		0.82
Exercised	(35,445,065)		0.11	(137,287)		0.09
Outstanding December 31, 2021	22,044,851	CAD	0.17	14,702,096	CAD	0.48
Number currently exercisable	22,044,851	CAD	0.17	14,402,096	CAD	0.48

[i] In July 2020, the Company finalized the transaction listed in the Treasury share cancellation section above, the private placement and debt restructuring transactions (Note 7) that reduced the Company's common shares issued and outstanding by 50.28%. In August 2020, and in order to comply with the Company's stock option plan, the number of stock options issued were amended and updated to reflect this proportional reduction.

As at December 31, 2021 the following incentive stock options, share purchase warrants and agent's compensation options were outstanding:

	Number of Shares	Exercise Price (CAD)	Expiry Date	Remaining Contractual Life (years)
Stock options	397,732	$ 0.44	May 17, 2022	0.38
	6,291,631	0.07	October 22, 2024	2.81
	248,016	0.10	June 2, 2025	3.42
	3,305,000	0.45	February 26, 2026	4.16
	4,459,717	1,10	October 27, 2026	4.83
Warrants	15,628,101	0.11	July 15, 2022	0.54
	6,416,750	0.30	December 21, 2022	0.97
Agent's compensation options	226,710[1]	0.075	July 15, 2022	0.54
	195,026[2]	0.20	December 21, 2022	0.97
Agent's compensation options warrants	631,255[3]	0.11	July 15, 2022	0.54
	42,450[3]	0.30	December 21, 2022	0.97

[1] Each agent's compensation units are exercisable into one unit at a price of CAD 0.075. Each unit comprises one common share and one share purchase warrant. Each share purchase warrant is exercisable into an additional common share at a price of CAD 0.11.
[2] Each agent's compensation units are exercisable into one unit at a price of CAD 0.20. Each unit comprises one common share and one-half share purchase warrant. Each share purchase warrant is exercisable into an additional common share at a price of CAD 0.30.
[3] These are underlying warrants issued upon exercise of the Agent's compensation options

The Company has a stock option plan under which it is authorized to grant options to directors, employees and consultants to acquire up to 10% of the issued and outstanding common shares. The exercise price of each option is based on the market price of the Company's shares for a period preceding the date of grant. The options can be granted for a maximum term of 10 years and vest as determined by the Board of Directors.

In June 2020, the Company granted 700,000 options that vested immediately to an officer. Total share-based payments recognized in the statement of operations for the year ended December 31, 2020 was $49,266 for incentive options granted and vested.

In February 2021, the Company granted 3,335,000 options that vested immediately to directors, officers, employees, advisors, and consultants of the Company. The stock options are exercisable for a term of five years at an exercise price of CAD 0.45 per common share under the term of the Company's stock option plan. Total share-based payments recognized in the statement of loss for the year ended December 31, 2021, was $600,824 for incentive options granted and vested.

In October 2021, the Company granted 4,459,717 options that vested immediately to directors, officers, employees, advisors, and consultants of the Company. The stock options are exercisable for a term of five years at an exercise price of CAD 1.10 per common share under the term of the Company's stock option plan. Total share-based payments recognized in the statement of operations for the year ended December 31, 2021, was $2,426,816 for incentive options granted and vested.

The following weighted average assumptions were used for the Black-Scholes option-pricing model valuation of stock options granted during the years ended on:

	December 31, 2021	December 31, 2020
Risk-free interest rate	1.19%	0.39%
Expected life of options	5 years	5 years
Expected annualized volatility	90.81%	175.84%
Dividend yield	0.0%	0.0%
Forfeiture rate	0.0%	0.0%

Warrants – Derivative Liability

The Company's detachable warrants related to the units issued in the July 15, 2020 and December 21, 2020 private placements have an exercise price denominated in foreign currency (Canadian dollars) and are classified and accounted for as a derivative liability at fair value with changes in fair value included in profit or loss.

On July 15, 2020, the Company issued 46,766,666 warrants and initially allocated $484,685 to the warrant derivative liability. On December 21, 2020, the Company issued 10,788,250 warrants and initially allocated $611,872 to the warrants derivative liability.

During the year ended December 31, 2021, there was a derivative loss of $28,564,576 (2020 - $3,940,613) and non-current liability of the $17,540,791 (2020 – $5,031,394) from the mark-to-market measurement of the warrant derivative liability. The weighted average assumptions used in the Black-Scholes pricing model to calculate the fair value of the warrants, as at December 31, 2021, were: an expected life of 0.47 year; annualized volatility of 83.67%; a risk-free interest rate of 0.95%; and zero expected dividend yield.

27 Non-current Assets

The movements in financial fixed assets were as follows:

	Financial fixed assets
Balance as at January 1, 2020	$ 27,499,415
Capital contributions	1,410,803
Impairment	(16,389,038)
Balance as at December, 2020	$ 12,521,180
Balance as at January 1, 2021	$ 12,521,180
Capital contributions	5,519,488
Balance as at December 31, 2021	$ 18,040,668

28 Related party disclosures

		Intercompany loans receivable (payable) 2021		2020
Receivable				
Meridian Mineração Jaburi S.A.	**$**	**6,370,013**	$	5,879,244
Ferrometals Management Services Canada Inc.		**463,613**		409,789
		6,833,626		6,289,033
Payable				
Cancana Resources Corp.		**(769,285)**		(721,501)
	$	**(769,285)**	$	(721,501)

29 Accounting policies – group and parent

Meridian Mining UK Societas, formerly Meridian Mining S.E., was formed in Amsterdam, Netherlands on December 16, 2013. Effective August 15, 2017 the Company transferred its official seat from the Netherlands to London, United Kingdom. Effective April 4, 2022, the Company's shares are listed on the Toronto Stock Exchange ("TSX) under the symbol MNO (refer to Subsequent Events (note 19)). The Company is currently engaged in the exploration and development of mineral deposits in Brazil, through its subsidiary, Meridian Mineração Jaburi S.A. ("Meridian Jaburi"). On December 31, 2020, the Company was converted under Articles AA1 and AAA1 of the EC Regulation on the European Public Limited-Liability company (Amended Etc.) (Eu Exit) Regulations 2018 to a United Kingdom Societas under the name of Meridian Mining UK Societas. The Company's head office is located at 6th Floor, 65 Gresham Street, London, EC2V 7NQ, United Kingdom. The registered number is SE000111.

29.1 Measurement convention

The consolidated financial statements have been prepared on a historical cost basis except for certain financial instruments classified as financial instruments at fair value through profit or loss, which are stated at fair value. The financial statements of the Group are presented in United States dollars, which is the functional currency of the Group.

29.2 Basis of presentation

The consolidated and Group's financial statements, including comparatives, have been prepared in accordance with International Financial Reporting Standards ("IFRS") in conformity with the requirements of the Companies Act 2006 and in accordance with the requirements of the Companies Act 2006 as applied to the Group.

The financial statements of the Company are presented in United States dollars, which is the functional currency of the Company. References to "$", "US$", "dollars", or "USD" are to US dollars, references to "C$" or "CAD" are to Canadian dollars, references to "€" are to Euros, references to "£" are to British pounds, and references to "R$" or "BRL" are to Brazilian Reals.

29.3 Going concern

These consolidated financial statements have been prepared on a going concern basis which assumes that the Group will be able to realize its assets and discharge its liabilities in the normal course of business as they come due into the foreseeable future. The Group has incurred a loss of $37,582,080 during the year ended December 31, 2021 (2020 $7,532,259). The Group has a working capital of $7,214,576 on December 31, 2021 (2020 $3,361,274).

To continue as a going concern, the Group will need to secure new funding. The ability of the Group to arrange additional financing in the future will depend, in part, on the prevailing capital market conditions and exploration successes. There can be no assurance that these initiatives will be successful, or sufficient financing, will be available. These material uncertainties cast significant doubt as to the ability of the Group to meet its business plan and obligations as they come due and, accordingly, the appropriateness of the use of accounting principles applicable to a going concern. The Group will continue to assess new sources of financing available and to manage its expenditures to reflect current financial resources in the interest of sustaining long term viability.

These financial statements do not include adjustments to the recoverability and classifications of recorded assets and liabilities and related expenses that might be necessary should the Group be unable to continue as a going concern. Such adjustments could be material.

The recoverability of the amounts shown for mineral properties is dependent on the existence and economic extraction of resources, the capacity to obtain financing to complete the development of such resources, the ability to obtain the necessary licenses and permits and meet the Group's obligations under various agreements, stability or increases in future commodity prices, and the success of future operations or dispositions of the mineral properties.

29.4 Basis of consolidation

The consolidated financial statements incorporate the assets and liabilities of the Company's subsidiaries as at the statement of financial position dates and the results of all subsidiaries for the years then ended. Subsidiaries are all entities controlled by the Company. Control exists when an investor is exposed, or has rights, to variable returns from its involvement with an investee and has the ability to affect those returns through its power over the investee. Subsidiaries are included in the consolidated financial statements from the date control is obtained until the date control ceases. Where the Company's interest in a subsidiary is less than 100%, the Company recognizes non-controlling interests. All intercompany balances, transactions, income, expenses, profits and losses, including unrealized gains and losses have been eliminated on consolidation.

These consolidated financial statements include the following 100% held entities as at December 31, 2021 and 2020:

Name of subsidiary:	Jurisdiction of Incorporation	Functional Currency
Ferrometals Management Services Canada Inc	Canada	USD
Meridian Mineração Jaburi S.A.	Brazil	BRL
Cancana Resources Corp	Canada	CAD
Rio Cabaçal Internacional Ltda[1]	Brazil	BRL
Rio Cabaçal Mineração Ltda[2]	Brazil	BRL

[1]Previously Cabaçal Internacional Ltda.
[2]Previously Cabaçal Mineração Ltda.

Subsidiaries are fully consolidated from the date on which control is acquired by the Company. Subsidiaries are no longer consolidated from the date control ceases. Intercompany transactions, balances and unrealized gains on transactions between companies in the group are eliminated. Accounting policies of subsidiaries are updated where necessary to ensure consistency with the policies adopted by the consolidated group. Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated statements of financial position, statements of loss and comprehensive loss and the statements of changes in equity. Acquisitions of subsidiaries under common control before and after the transaction are recorded at historical carrying value. Subsidiaries under common control are consolidated from the date of acquisition by the ultimate controlling entity.

29.5 Foreign currency

The functional currency of an entity is the currency of the primary economic environment in which the entity operates. The presentation currency of these consolidated financial statements is the United States dollar, which is also the functional currency of the Company.

Transactions in foreign currencies are translated to the functional currency of the entity at the exchange rate in existence at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are retranslated at the period end date exchange rates.

The results and financial position of entities in the group that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- Assets and liabilities for each statement of financial position presented are translated at the closing rate of the period reported;
- Income and expenses for each statement of loss and comprehensive loss presented are translated at average exchange rates; and
- All resulting exchange differences are recognized in other comprehensive loss.

29.6 Classification of financial instruments issued by the Group

Financial assets

The Group classifies its financial assets in the following categories: at fair value through profit and loss ("FVTPL"), at fair value through other comprehensive income (FVTOCI"), or at amortized cost. The determination of the classification of financial assets is made at initial recognition.

The Group's accounting policy for each of the categories is as follows:

Financial assets at FVTPL: Financial assets carried at FVTPL are initially recorded at fair value and transaction costs are expensed in the statement of (loss) income. Realized and unrealized gains and losses arising from changes in the fair value of financial assets held at FVTPL are included in the statement of (loss) income in the period.

Financial assets at FVTOCI: Financial assets carried at FVTOCI are recorded at fair value and transaction costs are expensed in the statement (loss) income. Realized and unrealized gains and losses arising from changes in fair value of the financial assets held at FVTOCI are included in other comprehensive (loss) income in the period.
Financial assets at amortized cost: A financial asset is measured at amortized cost if the objective of the business model is to hold the financial asset for the collection of contractual cash flows, and the asset's contractual cash flows are comprised solely of payments of principal and interest. They are classified as current assets or non-current assets based on their maturity date and are initially recognized at fair value and subsequently carried at amortized cost less any impairment.

Impairment of financial assets at amortized cost: The Group recognizes a loss allowance for expected lifetime losses on trade receivables in accordance with the simplified approach of IFRS 9.

The following table shows the classification of the Group's financial assets:

Financial asset	Classification
Cash	Amortized cost
Intercompany receivables	Amortized cost

Financial liabilities

The Group classifies its financial liabilities into one of two categories, depending on the purpose for which the liability was incurred. The Group's accounting policy for each category is as follows:

Fair value through profit or loss: This category comprises derivatives or liabilities acquired or incurred principally for the purpose of selling or repurchasing in the near term. They are carried in the statement of financial position at fair value with changes in fair value recognized in the statement of loss and other comprehensive loss.

Amortized Cost: This category includes trade payables, provisions and intercompany payables, all of which are recognized at amortized cost using the effective interest method.

Transaction costs in respect of financial instruments at fair value through profit or loss are recognized in the statement of operations and comprehensive loss immediately, while transaction costs associated with all other financial instruments are included in the initial measurement of the financial instrument.

The following table shows the classification of the Group's financial liabilities:

Financial liability	Classification
Trade payables	Amortized cost
Intercompany payables	Amortized cost
Warrant liability	FVTPL
Financial liability at FVTPL	FVTPL

During the year ended December 31, 2020, judgment was involved in determining the classification of the Consolidated Facility Agreement under the requirements of IAS 32 Financial Instruments: Presentation on the basis that the features of that contract contained an obligation to issue shares and an option to settle in cash or early in shares. It was determined that on the basis that the number of shares to be issued was fixed or determinable, and that there was no obligation to deliver cash, and on the basis that the instrument was considered a non-derivative (as based on the definition in IFRS 9) that the instrument could be accounted for as an equity instrument and that was the policy chosen.

29.7 Cash and cash equivalents Cash

Cash and short-term deposits in the balance sheet comprise cash at bank and on hand and highly liquid cash deposits with short-term maturities that are readily convertible to known amounts of cash with insignificant risk of change in value. The Group considers that the carrying value of cash and cash equivalents approximate fair value due to their short-term to maturity.

29.8 Property, plant and equipment

Items of property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses. Cost includes expenditures that are directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials, labour and other costs directly attributable to bringing the assets to a working condition for their intended use, the costs of dismantling and removing the items and restoring the site on which they are located and capitalized borrowing costs.

Property, plant and equipment is depreciated on a straight-line basis.

Vehicles	5 years
Machinery and Equipment	10 years
Office furniture, communication and computer equipment	10 years
Buildings	10 years

Depreciation commences when the asset is available for its intended use. The residual values and useful lives of the assets are reviewed, and adjusted if appropriate, at the end of each reporting period. Gains and losses on disposals are determined by comparing proceeds with carrying amounts and are recognized in the statement of loss.

29.9 Production costs

Production costs consists of costs of conversion including the costs of extraction, conversion, direct labour and production overheads included in the measurement of inventory sold during the period. Period costs, such as standby and re-commissioning costs, are not allocated to inventory but charged directly to operating expenses.

29.10 Impairment of non-current assets

At the end of each reporting period, the Group's assets are reviewed to determine whether there is any indication that the carrying values of the assets may not be recoverable. If such an indication of impairment exists, an impairment loss is calculated as the amount by which the carrying amount of the CGU exceeds its recoverable amount. The recoverable amount is the higher of its fair value less costs of disposal, or, value in use (the discounted presented value of future cash flows). For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separate identifiable cash flows (cash generating units). Any prior impairment loss (excluding impairment losses related to goodwill) would be reversed in future periods if the conditions that gave rise to the original impairment no longer apply. The impairment reversal would be limited to the revised estimate of its recoverable amount, not to exceed the carrying amount that would have been determined net of depreciation had no impairment loss been recognized for the asset in prior years.

29.11 Employee benefits

Share-based payment transactions

The Company accounts for stock options granted to directors, officers, employees and non-employees at fair value. The fair value of the options at the date of the grant is determined using the Black-Scholes option pricing model and share-based compensation is accrued and charged to operations, with an offsetting credit to share-based payment reserve, over the vesting periods using a graded vesting model. The number of shares and options expected to vest is reviewed and adjusted at the end of each reporting period such that the amount recognized for services received as consideration for the equity instruments granted shall be based on the number of equity instruments that eventually vest.

When the stock options are exercised, the applicable amounts of equity reserves are transferred to share capital.

29.12 Provisions

Provisions for legal claims and constructive obligations are recognized when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are not recognized for future operating losses. Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognized as finance expense.

Environmental provisions

Mining, processing, development and exploration activities are subject to various laws and regulations governing the protection of the environment. An environmental provision is recognized in the period when a legal or constructive obligation originates. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessment of the time value of money and the risks specific to the liability where the impact of discounting is material. A corresponding increase to the carrying value of the related property is recorded and depreciated on the same basis as the related asset. The majority of the restoration and rehabilitation activities of the Group include the restoration and re-vegetation of extraction areas; as extraction sites are short-term in nature, these related costs are allocated to inventory and generally expensed in the period recognized. Where appropriate, the provision is accreted over time to its expected future settlement value.

Environmental provisions are reviewed at every reporting period. The liability is adjusted for changes in estimates in costs and timing of work to be performed. Changes in the discount rate and inflation rates are recognized each reporting period, with the changes recognized as additions to or reductions from the liability and a corresponding addition to or reduction from property, plant and equipment or profit and loss where the changes relate to closed mine sites. Changes in estimates of environmental provisions also include changes due to movement in the exchange rates. Any reduction to the asset may not exceed the carrying value of that asset.

29.13 Revenue

Revenue is recognized when a customer obtains control of the promised asset and the Group satisfies its performance obligation. Revenue is allocated to each performance obligation. The Group considers the terms of the contract in determining the transaction price. The transaction price is based upon the amount the Group expects to be entitled to in exchange for the transferring of promised goods. The Group earned revenue from customers related to the sale of manganese ore.

Control is achieved when a product is delivered to the customer, we have a present right to payment for the product, significant risks and rewards of ownership have transferred to the customer according to contract terms and there is no unfulfilled obligation that could affect the customer's acceptance of the product. In general, control over manganese ore from export sales were transferred to the customer and revenue was recognized when the material was assayed and loaded at the Brazilian port and for local sales, control over the manganese ore was transferred when the ore was loaded onto trucks at the stockpile warehouse.

29.14 Exploration and evaluation assets

Pre-exploration costs are expensed as incurred. Costs directly related to the acquisition of exploration and evaluation assets are capitalized provided that the legal rights to explore the mineral properties are acquired or obtained. Exploration and evaluation expenditures are expensed as incurred. When the technical feasibility and commercial viability of a mineral resource have been demonstrated and a development decision by the Board of Directors has been made, the capitalized costs of the related property are transferred to mining development costs and any subsequent expenditures are capitalized as mine development costs.

The amounts shown for mineral properties do not necessarily represent present or future values. Their recoverability is dependent upon the discovery of economically recoverable reserves, the ability of the Group to obtain the necessary financing to complete the development, and future profitable production or proceeds from the disposition thereof.

The carrying values of capitalized amounts are reviewed when indicators of impairment are present. If it is determined that capitalized exploration and evaluation costs are not recoverable, or the property is abandoned or management has determined an impairment in value, the property is written down to its recoverable amount.

29.15 Taxation

Income tax expense comprises current and deferred tax. Income tax is recognized in profit or loss except to the extent that it relates to items recognized in other comprehensive income or directly in equity. Current tax expense is the expected tax payable on taxable income for the year, using tax rates and laws enacted or substantively enacted at period end, adjusted for amendments to tax payable with regards to previous years.

Deferred tax is recorded for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Temporary differences are not provided for relating to goodwill not deductible for tax purposes, the initial recognition of assets or liabilities that affect neither accounting nor taxable loss, nor differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, using tax rates and laws enacted or substantively enacted at the statement of financial position date.

A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized. To the extent that the Group do not consider it probable that a deferred tax asset will be recovered the deferred tax asset is not set up.

29.16 Investment in subsidiaries

Investments in subsidiaries are initially recorded at cost. The carrying values of fixed financial assets are subject to review for impairment at least at each reporting date. Fixed financial assets are impaired when there is objective evidence of impairment as a result of one or more events that have occurred after initial recognition of the asset and that event has an impact on the estimated future cash flows of the financial asset or the group of financial assets. The process undertaken to review impairment in the year ended December 31, 2020 comprised of the calculation of enterprise value less costs of disposal.

29.17 New accounting standards issued but not yet effective

At the date of authorization of these Consolidated and individual Financial Statements, the following new standards, amendments and interpretations to existing standards have been published but are not yet effective and have not been adopted early by the Group.

The impacts of the news standards and amendments on the Group's consolidated and individual financial statements have not yet been determined.

Standard	Detail	Effective date
IAS 16	Amendments prohibiting a Group from deducting from the cost of property, plant and equipment amounts received from selling items produced while the Group are preparing the asset for its intended use	January 1, 2022
IAS 37	Amendments regarding the costs to include when assessing whether a contract is onerous	January 1, 2022
IFRS 3	Amendment - replacing a reference to an old version of the board's Conceptual Framework for Financial Reporting with a reference to the latest version, which was issued in March 2018	January 1, 2022
Annual Improvements to IFRSs (2018-2020 Cycle) - IFRS 9	IFRS 9 - Clarifies the fees a Group includes in assessing the terms of a new or modified financial liability to determine whether to derecognise a financial liability.	January 1, 2022
IAS 1	Amendment – regarding the classification of liabilities	January 1, 2023
IAS 8	Amendment – definition of accounting estimates	January 1, 2023
IAS 1	Amendment – disclosure of accounting policies	January 1, 2023
IAS 12	Amendment - Deferred Tax related to Assets and Liabilities arising from a Single Transaction	January 1, 2023