



**MERIDIAN MINING UK SOCIETAS
CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
(Expressed in United States dollars)**

**THREE AND SIX MONTHS ENDED JUNE 30, 2024 and 2023
(UNAUDITED)**

MERIDIAN MINING UK SOCIETAS
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF FINANCIAL POSITION
(Expressed in United States dollars)
(Unaudited)

	As at June 30, 2024	As at December 31, 2023
ASSETS		
Current assets		
Cash	\$ 14,968,602	\$ 7,095,927
Prepaid expenses and other assets	411,503	385,818
	15,380,105	7,481,745
Non-current assets		
Property, plant and equipment (Note 4)	790,953	949,962
Exploration and evaluation assets (Note 5)	8,130,750	9,019,501
Total assets	\$ 24,301,808	\$ 17,451,208
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities		
Accounts payable and accrued liabilities (Note 6)	\$ 2,235,564	\$ 1,854,349
Taxes and fees payable (Note 7)	162,070	184,647
Provisions (Note 8)	314,684	363,330
	2,712,318	2,402,326
Non-current liabilities		
Provisions (Note 8)	2,459	20,146
Taxes and fees payable (Note 7)	-	9,735
	2,714,777	2,432,207
Equity (deficit)		
Share capital (Note 9)	3,365,036	2,736,732
Share premium (Note 9)	79,301,384	66,366,978
Reserves (Note 9)	70,431,208	71,093,265
Deficit	(131,510,597)	(125,177,974)
Total Equity (Deficit)	21,587,031	15,019,001
Total liabilities and equity	\$ 24,301,808	\$ 17,451,208

Nature of business and going concern (Note 1)

On behalf of the Board of Directors on August 12, 2024:

"Gilbert Clark" Director _____
"Douglas Ford" Director

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

MERIDIAN MINING UK SOCIETAS**CONDENSED CONSOLIDATED INTERIM STATEMENTS OF LOSS AND OTHER COMPREHENSIVE LOSS**

(Expressed in United States dollars, except share and per share amounts)

(Unaudited)

	<u>Three months ended June 30,</u>		<u>Six months ended June 30,</u>	
	2024	2023	2024	2023
Operating expenses				
Exploration and evaluation expenses (Note 11)	\$ 2,625,300	\$ 1,230,265	\$ 4,057,990	\$ 2,297,250
General and administration expenses (Note 12)	781,531	637,067	1,493,593	1,346,904
Professional fees	167,087	282,776	360,887	480,027
Re-commissioning and standby costs	22,224	16,049	40,087	32,850
Share-based payments (Note 9)	91,209	-	118,833	651,416
Depreciation	48,572	41,884	97,832	80,990
Total operating expenses	(3,735,923)	(2,208,041)	(6,169,222)	(4,889,437)
Loss from operations	(3,735,923)	(2,208,041)	(6,169,222)	(4,889,437)
Finance items				
Finance income	142,989	10,589	184,646	41,424
Finance expense	(5,475)	(8,938)	(21,229)	(28,729)
Foreign exchange gain (loss)	(181,409)	408,582	(326,817)	447,163
Total finance income (expense)	(43,895)	410,233	(163,400)	459,858
Loss for the period	(3,779,818)	(1,797,808)	(6,332,622)	(4,429,579)
Other comprehensive income (loss)				
Items that may be reclassified to income (loss)				
Foreign currency translation	(764,054)	343,235	(1,045,505)	576,114
Other comprehensive loss, net of taxes	\$ (4,543,872)	\$ (1,454,573)	\$ (7,378,127)	\$ (3,853,465)
Loss per share ("EPS") (Note 9)				
Basic	\$ (0.01)	\$ (0.01)	\$ (0.02)	\$ (0.01)
Diluted	\$ (0.01)	\$ (0.01)	\$ (0.02)	\$ (0.01)
Weighted Average Number of Shares Outstanding (000s)				
Basic	294,627	226,845	268,886	215,038
Diluted	294,627	226,845	268,886	215,038

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

MERIDIAN MININGUK SOCIETAS
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CASH FLOWS
(Expressed in United States dollars)
(Unaudited)

	<u>Six months ended June 30,</u>	
	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss for the period	\$ (6,332,622)	\$ (4,429,579)
Items not affecting cash:		
Accrued finance expense	21,229	28,729
Depreciation	97,832	80,990
Unrealized foreign exchange gain (loss)	326,817	(447,163)
Share-based payments (Note 9)	118,833	651,416
Items affecting cash:		
Interest paid	(13,454)	(6,636)
Disbursements related to provisions	(19,753)	(20,195)
Changes in non-cash working capital items:		
Prepaid expenses and other assets	(32,946)	(46,680)
Taxes and fees payable	(20,713)	(18,820)
Accounts payable and accrued liabilities	678,517	80,557
Net cash used in operating activities	<u>(5,176,260)</u>	<u>(4,127,381)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Additions to property, plant, and equipment	(40,339)	(21,535)
Exploration and evaluation asset acquisition (note 5 (b))	(557,858)	(779,621)
Net cash used in investing activities	<u>(598,197)</u>	<u>(801,156)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from public offering financing (note 9)	14,826,174	13,520,717
Share issuance costs related to the public offering financing (note 9)	(1,091,174)	(820,526)
Proceeds from the exercise of agent's compensation options	92,324	-
Net cash provided by financing activities	<u>13,827,324</u>	<u>12,700,191</u>
Effect of foreign exchange on cash	<u>(180,192)</u>	<u>219,192</u>
Net change in cash	<u>7,872,675</u>	<u>7,990,846</u>
Cash, beginning of the period	<u>7,095,927</u>	<u>6,174,891</u>
Cash, end of the period	<u>\$ 14,968,602</u>	<u>\$ 14,165,737</u>

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

MERIDIAN MINING UK SOCIETAS
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CHANGES IN EQUITY (DEFICIT)
(Expressed in United States dollars, except share amounts)
(Unaudited)

	Share Capital			Reserves						Total Equity
	Shares	Share Capital	Share Premium	Reserves	Share based payments	Warrant reserve	Other reserves	Accumulated other comprehensive loss	Deficit	
Balance, January 1, 2023	202,833,761	\$ 2,300,486	\$ 53,985,844	\$462,185	\$ 5,303,215	\$ 66,223	\$ 76,501,322	\$ (13,803,747)	\$ (113,192,116)	\$ 11,623,412
Shares issued on public offering financing (Note 9)	36,800,000	404,236	13,116,481	-	-	-	-	-	-	13,520,717
Share Issuance costs (Note 9)	-	-	(1,197,317)	-	-	264,153	-	-	-	(933,164)
Shares issued regarding Cabaçal agreement payment (Note9)	1,000,000	10,883	306,083	-	-	-	-	-	-	316,966
Issuance of stock options	-	-	-	-	651,416	-	-	-	-	651,416
Comprehensive income (loss) for the period	-	-	-	-	-	-	-	576,114	(4,429,579)	(3,853,465)
Balance, June 30, 2023	240,633,761	\$ 2,715,605	\$ 66,211,091	\$462,185	\$ 5,954,631	\$ 330,376	\$ 76,501,322	\$ (13,227,633)	\$ (117,621,695)	\$ 21,325,882
Balance, January 1, 2024	242,572,708	\$ 2,736,732	\$ 66,366,978	\$462,185	\$ 7,132,288	\$ 330,376	\$ 76,501,322	\$ (13,332,906)	\$ (125,177,974)	\$ 15,019,001
Shares issued on public offering financing (Note 9)	57,500,000	624,404	14,201,770	-	-	-	-	-	-	14,826,174
Share Issuance costs (Note 9)	-	-	(1,393,580)	-	-	302,406	-	-	-	(1,091,174)
Issuance of stock options (Note 9)	-	-	-	-	118,833	-	-	-	-	118,833
Compensation options exercises	358,782	3,900	126,216	-	-	(37,792)	-	-	-	92,324
Comprehensive income (loss) for the period	-	-	-	-	-	-	-	(1,045,505)	(6,332,622)	(7,378,127)
Balance, June 30, 2024	300,431,490	\$ 3,365,036	\$ 79,301,384	\$462,185	\$ 7,251,122	\$ 594,990	\$ 76,501,322	\$ (14,378,411)	\$ (131,510,597)	\$ 21,587,031

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

MERIDIAN MINING UK SOCIETAS
NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
(Expressed in United States dollars)
(Unaudited)

1. NATURE OF BUSINESS AND GOING CONCERN

Meridian Mining UK Societas (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. The Company’s shares are listed on the Toronto Stock Exchange (“TSX”) under the symbol MNO. The Company is currently engaged in the exploration and development of mineral deposits in Brazil, through its subsidiaries, Rio Cabaçal Mineração Ltda (“Rio Cabaçal”) and Meridian Mineração Jaburi S.A. (“Jaburi”). The Company’s head office is located at 8th Floor, 4 More London Riverside, London, SE1 2AU, United Kingdom.

Going Concern

These condensed consolidated interim financial statements have been prepared on a going concern basis which assumes that the Company 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 Company incurred a loss of \$6,332,622 during the six-month period ended June 30, 2024 (2023 – loss of \$4,429,579). The Company has working capital of \$12,667,787 as at June 30, 2024 (December 31, 2023 - \$5,079,419).

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 Company 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.

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

2. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES

Statement of compliance and basis of presentation

These condensed consolidated interim financial statements, including comparatives, have been prepared in accordance with International Accounting Standard (“IAS”) 34, Interim Financial Reporting as issued by the International Accounting Standards Board (“IASB”). The accounting policies applied in these condensed consolidated interim financial statements are consistent with those disclosed in Note 2 of the Company’s audited consolidated financial statements for the year ended December 31, 2023.

The condensed consolidated interim financial statements and accompanying notes were authorized for issue by the Company’s Board of Directors on August 12, 2024.

Basis of presentation

These unaudited condensed consolidated interim 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 Company are presented in United States (“US”) dollars. References to “\$”, “US\$”, or “dollars” are to US dollars, references to “C\$” are to Canadian dollars, references to “R\$” are to Brazilian Reals, and references to “€” are to Euro.

MERIDIAN MINING UK SOCIETAS**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

(Expressed in United States dollars)

(Unaudited)

Principles of consolidation

The condensed consolidated interim financial statements incorporate the assets and liabilities and expenses of the Company's subsidiaries. Subsidiaries are all entities controlled by the Company. Control exists when the Company 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. All intercompany balances, transactions, income, expenses, profits, and losses, including unrealized gains and losses have been eliminated on consolidation.

During the six months ended June 30, 2024, the Company incorporated a new entity, Rio Cabaçal Participações S/A ("RCP"). The Company has 49% of the voting rights and 100% rights to its variable returns. The legal ownership of Rio Cabaçal Mineração Ltda ("RCM") was transferred to RCP. Although the Company has 49% of the voting rights in RCP, the Company determined that it has the full beneficial interest over the entity as the Company has the rights of variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

3. SIGNIFICANT ACCOUNTING JUDGMENTS AND ESTIMATES

The preparation of condensed consolidated interim financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to these condensed consolidated interim financial statements, are described in Note 3 of the Company's audited consolidated financial statements for the year ended December 31, 2023.

4. PROPERTY, PLANT AND EQUIPMENT

Cost:	Land	Vehicles, machinery and equipment	Office furniture and other	Total
Balance, December 31, 2023	\$ 77,789	\$ 1,116,257	\$ 305,720	\$ 1,499,766
Additions	-	25,796	35,680	61,476
Foreign currency adjustment	(10,319)	(150,446)	(43,842)	(204,607)
Balance, June 30, 2024	\$ 67,470	\$ 991,607	\$ 297,558	\$ 1,356,635

Accumulated depreciation:	Land	Vehicles, machinery and equipment	Office furniture and other	Total
Balance, December 31, 2023	\$ -	\$ (345,829)	\$ (203,975)	\$ (549,804)
Depreciation expense	-	(53,277)	(44,555)	(97,832)
Foreign currency adjustment	-	50,789	31,165	81,954
Balance, June 30, 2024	\$ -	\$ (348,317)	\$ (217,365)	\$ (565,682)

Net book value:	Land	Vehicles, machinery and equipment	Office furniture and other	Total
December 31, 2023	\$ 77,789	\$ 770,428	\$ 101,745	\$ 949,962
June 30, 2024	\$ 67,470	\$ 643,290	\$ 80,193	\$ 790,953

MERIDIAN MINING UK SOCIETAS
NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
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5. EXPLORATION AND EVALUATION ASSETS

Summary of exploration and evaluation assets:

Balance as at December 31, 2023	\$ 9,019,501
Additions:	
Option agreement – Cabaçal project	250,000
Foreign currency adjustment	<u>(1,138,751)</u>
Balance as at June 30, 2024	\$ 8,130,750

Cabaçal Project, Mato Grosso

a) Overview of Purchase Agreement

On November 6, 2020, the Company entered into a Purchase Agreement with two private Brazilian companies (the “Vendors”), to acquire the rights to the Cabaçal Copper-Gold Project in the state of Mato Grosso, Brazil, (the “Cabaçal Agreement”). The Cabaçal Agreement contemplated that payments can be withheld by the Company in an Indemnification Escrow Fund (the “Escrow Fund”) to guarantee the payment of any losses in connection with certain of the Vendors’ obligations. At the Company’s discretion, the Escrow Fund balance can be used to pay certain Vendors’ obligations.

Under the terms of the Cabaçal Agreement, the Company is required to make staged payments based on milestones achieved below. The Company has determined the Cabaçal Agreement to be an executory contract based on the assessment of its provisions. As a result, as milestones are achieved the respective staged payments are triggered. The measurement of staged payments will be determined at the trigger date and will be capitalized to exploration and evaluation assets as they are deemed to be acquisition related costs.

Amounts triggered and paid as at June 30, 2024:

- \$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 were filed with the Agência Nacional de Mineração ("ANM"; Brazil's nation mining agency) (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 a successful drill program and historical geophysics database validation, as well as obtaining certain permits and the access to the surface rights overlapping with the Cabaçal mineral rights (see details regarding payment below); and
- 1,000,000 common shares in the capital of the Company or C\$300,000, at the option of the Vendors, within 6 months of the third payment and subject to completion of a technical report on the estimate of the resource in accordance with National Instrument 43-101, whichever occurs later (paid in common shares).

Amounts not yet triggered:

- \$1,850,000 plus, at the option of the Vendors, 1,500,000 common shares in the capital of the Company or C\$450,000, within 9 months of the fourth payment and subject to the successful completion of the positive economic feasibility study. On January 4, 2024, the Company amended the terms of the fifth instalment where the payment will be made by September 30, 2025, but is still subject to the successful completion of the positive economic feasibility study. Additionally, the amended terms now require the Company to advance a total of \$250,000, divided in monthly instalments, from April 2025 to June 2025, to be deducted from the total amount of the fifth payment;
- \$2,250,000 payable plus, at the option of the Vendors, 2,000,000 common shares in the capital of the Company or C\$600,000, up to 30 days after the Installation License (“LI”) of the Cabaçal plant is issued by the competent authorities; and

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- \$2,600,000 payable within 45 days after the signature by the Company of the definitive financing contracts for the construction of the Cabaçal plant.

b) Cabaçal Agreement payments

During the six-month period ended June 30, 2024, the Company made payments of \$557,858 on behalf of and to the Vendors that have been deducted from the third instalment payment payable amount. As at June 30, 2024, the following remaining balances are recognized in accounts payable and accrued liabilities:

- Third instalment - \$118,607
- Fifth instalment - \$250,000

6. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	June 30, 2024	December 31, 2023
Current:		
Trade payables	\$ 1,504,465	\$ 884,191
Option agreement – Cabaçal project (Note 5)	368,607	676,465
Payroll liabilities	264,647	252,503
Other liabilities	<u>97,845</u>	<u>41,190</u>
	<u>\$ 2,235,564</u>	<u>\$ 1,854,349</u>

7. TAXES AND FEES PAYABLE

	June 30, 2024	December 31, 2023
Current:		
Taxes and fees payable (i)	\$ 35,089	\$ 58,406
Withholding taxes and other taxes related to debt restructuring	58,983	58,650
Other	<u>67,998</u>	<u>67,591</u>
	<u>\$ 162,070</u>	<u>184,647</u>
Non-Current:		
Taxes and fees payable (i)	<u>-</u>	<u>9,735</u>
Total	<u>\$ 162,070</u>	<u>\$ 194,382</u>

(i) *Restructuring of Brazilian taxes and fees liabilities*

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

As at June 30, 2024, the total balance of the Brazilian social security taxes payable was \$35,089 that will be repaid in equal monthly instalments over 8 months, adjusted for inflation. As a result, the Company classified as long-term liabilities the amount of \$nil (December 31, 2023 - \$9,735).

MERIDIAN MINING UK SOCIETAS**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

(Expressed in United States dollars)

(Unaudited)

8. PROVISIONS

	Environmental provision (i)	Other provisions (ii)	Total
Balance, December 31, 2023	\$ 54,682	\$ 328,794	\$ 383,476
Spent during the period	(19,753)	-	(19,753)
Accretion	2,714	-	2,714
Foreign currency adjustment	(5,681)	(43,613)	(49,294)
Balance, June 30, 2024	\$ 31,962	\$ 285,181	\$ 317,143
Represented by:			
Current portion	\$ 29,503	\$ 285,181	\$ 314,684
Long-term portion	\$ 2,459	\$ -	\$ 2,459

(i) Environmental provision

Pursuant to Jaburi's operations in Brazil, the Company 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. Long-term environmental liabilities related to decommissioning the plants are recorded at the present value of the estimated costs, assuming nominal risk-free discount rate of 8.50% and are expected to be incurred up to the end of 2025.

(ii) Other provisions

Various legal and regulatory matters are outstanding from time to time due to the nature of the Company's operations. In the event that management's estimate of the future resolution of these matters changes, the Company will recognize the effects of the changes in its consolidated financial statements on the date such charges occur. As at June 30, 2024, the Company has recognized a provision of \$285,181 (December 31, 2023 - \$328,794) 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 Company's estimates.

9. SHAREHOLDERS' EQUITY**Authorized Capital**

As at June 30, 2024 the Company had authorized unlimited number of common shares with a par value of €0.01.

Issued Capital

The Company has 300,431,490 (December 31, 2023 - 242,572,708) 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.

MERIDIAN MINING UK SOCIETAS
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Shares issued

During the six-month period ended June 30, 2024, the Company issued:

- 57,500,000 common shares for aggregate gross proceeds of \$14,826,174 at a subscription price of C\$0.35 per common share

On April 9, 2024, the Company closed a bought deal offering through the issuance of 57,500,000 common shares at a subscription price of C\$0.35 per common share, for aggregate gross proceeds to the Company of \$14,826,174 (C\$20,125,000). The Company paid agent's cash commission totalling \$561,170 (C\$761,535) and issued 2,101,628 agent's compensation options, valued at \$302,406 (C\$410,565). Each agent's compensation option is exercisable for one common share at an exercise price of C\$0.35, expiring April 9, 2026. The value of the agent's compensation option was determined using Black-Scholes pricing model. The assumptions used to calculate the fair value of the agent's compensation options were: an expected life of 2 years; annualized volatility of 78.08%; a risk free interest rate of 3.59%; and zero expected dividend yield. The Company incurred other share issuance costs of \$530,004 on this offering. Total transactions costs incurred and allocated to share premium was \$1,393,580.

During the six-month period ended June 30, 2023, the Company issued:

- 36,800,000 common shares for aggregate gross proceeds of \$13,520,717 at a subscription price of C\$0.50 per common share; and
- 1,000,000 common shares issued as payment of the fourth instalment of the Cabaçal Agreement.

On May 2, 2023, the Company closed a bought deal offering through the issuance of 36,800,000 common shares at a subscription price of C\$0.50 per common share, for aggregate gross proceeds to the Company of \$13,520,717 (C\$18,400,000). The Company paid agent's cash commission totalling \$616,146 (C\$838,500) and issued 1,677,000 agent's compensation options, valued at \$264,153 (C\$358,912). Each agent's compensation option is exercisable for one common share at an exercise price of C\$0.50, expiring May 2, 2025. The value of the agent's compensation option was determined using Black-Scholes pricing model. The assumptions used to calculate the fair value of the agent's compensation options were: an expected life of 2 years; annualized volatility of 76.30%; a risk free interest rate of 2.95%; and zero expected dividend yield. The Company incurred other share issuance costs of \$317,018 on this offering. Total transactions costs incurred to June 30, 2023 and allocated to share premium was \$1,197,317.

On June 30, 2023, the Company issued 1,000,000 common shares at the deemed price of \$0.42 per common share, totalling \$316,966 (C\$420,000) related to the payment of the fourth instalment of the Cabaçal agreement. In accordance with the applicable securities regulations and policies of the TSX, the common shares issued to Vendors pursuant to the Agreement are subject to a statutory four month and a day hold period.

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Reserves - Stock options

Stock option and share purchase warrant transactions are summarized as follows:

	Stock Options	
	Number	Weighted Average Exercise Price
Outstanding December 31, 2022	14,830,285	C\$ 0.50
Granted	3,225,500	0.50
Outstanding June 30, 2023	18,055,785	C\$ 0.50
Outstanding December 31, 2023	21,543,103	C\$ 0.65
Expired / cancelled	(681,112)	0.64
Granted	780,000	0.47
Outstanding June 30, 2024	21,641,991	C\$ 0.51

As at June 30, 2024 the following incentive stock options and agent's compensation options were outstanding:

	Number of options outstanding	Exercise Price (C\$)	Expiry Date	Remaining Contractual Life (years)
Stock options	4,352,684	0.07	October 22, 2024	0.31
	248,016	0.10	June 2, 2025	0.92
	2,515,000	0.45	February 26, 2026	1.66
	3,615,155	1.10	October 27, 2026	2.33
	100,000	1.10	February 6, 2027	2.61
	75,000	1.10	February 24, 2027	2.65
	390,000	0.95	May 17, 2027	2.88
	2,676,500	0.50	January 25, 2028	3.57
	695,000	0.50	July 26, 2028	4.07
	950,000	0.50	October 11, 2028	4.28
	1,000,000	0.35	October 27, 2028	4.33
	4,244,636	0.50	November 28, 2028	4.42
	180,000	0.50	February 28, 2029	4.67
	600,000	0.46	April 29, 2026	1.83
Agent's compensation options	142,222 ⁽¹⁾	0.35	December 30, 2024	0.50
	1,677,000 ⁽²⁾	0.50	May 2, 2025	0.84
	2,101,628 ⁽³⁾	0.35	April 26, 2026	1.82

⁽¹⁾ Issued in connection with the brokered private placement closed on December 30, 2022.

⁽²⁾ Issued in connection with the public offering closed on May 2, 2023.

⁽³⁾ Issued in connection with the public offering closed on April 9, 2024.

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(Expressed in United States dollars)

(Unaudited)

On February 28, 2024, the Company granted 180,000 stock options to a consultant of the Company that vested immediately with an exercise price of C\$0.50 per common share for a term of five years, until February 28, 2029.

On April 29, 2024, the Company granted 600,000 stock options to a consultant of the Company that vested immediately with an exercise price of C\$0.46 per common share for a term of two years, until April 29, 2026.

Total share-based payments recognized in the Statements of Loss for the period ended June 30, 2024 was \$118,833 (2023 - \$651,416) for incentive options granted and vested.

On January 25, 2023, the Company granted 3,225,500 stock options to directors, officers, employees, advisors, and consultants of the Company that vested immediately with an exercise price of C\$0.50 per common share for a term of five years, until January 25, 2028.

The following assumptions were used for the Black-Scholes option-pricing model valuation of stock options granted during the six-month periods ended June 30, 2024 and June 30, 2023:

	Options granted in 2024	Options granted in 2023
Risk-free interest rate	3.60% - 3.81%	2.88%
Expected life of options	2 - 5 years	5 years
Expected annualized volatility	78.55% - 83.24%	85.04%
Dividend yield	0.0%	0.0%
Forfeiture rate	0.0%	0.0%

The expected volatility used in the Black-Scholes option pricing model is based primarily on the historical volatility of comparable companies.

Loss per share:

The following table sets forth the computation of basic and diluted loss per share:

	Three months ended	
	June 30, 2024	June 30, 2023
Numerator		
Loss for the period	\$ (3,779,818)	\$ (1,797,808)
Effect of dilutive securities	-	-
	\$ (3,779,818)	\$ (1,797,808)
Denominator		
For basic – weighted average number of shares outstanding	294,627,099	226,844,631
Effect of dilutive securities	-	-
For diluted – adjusted weighted average number of the shares outstanding	294,627,099	226,844,631
Loss Per Share		
Basic	\$ (0.01)	\$ (0.01)
Diluted	\$ (0.01)	\$ (0.01)

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	Six months ended	
	June 30, 2024	June 30, 2023
Numerator		
Loss for the period	\$ (6,332,622)	\$ (4,429,579)
Effect of dilutive securities	-	-
	\$ (6,332,622)	\$ (4,429,579)
Denominator		
For basic – weighted average number of shares outstanding	268,885,917	215,038,181
Effect of dilutive securities	-	-
For diluted – adjusted weighted average number of the shares outstanding	268,885,917	215,038,181
Loss Per Share		
Basic	\$ (0.02)	\$ (0.02)
Diluted	\$ (0.02)	\$ (0.02)

For the three and six months ended June 30, 2024, 21,641,991 (2023 - 18,055,785) stock options and 2,101,628 (2023 - 1,677,000) compensation options were not included in the calculation of diluted earnings per share as the Company was in a loss position and thus any impact would be anti-dilutive.

10. RELATED PARTIES

a) Key management compensation

	June 30, 2024	June 30, 2023
Salaries, consulting and directors' fees	\$ 692,351	\$ 545,686
Share-based compensation	-	359,486
	\$ 692,351	\$ 905,172

b) Other related party transactions

As at June 30, 2024, the Company had the following balances due to entities related by way of common directors and/or management. These amounts, unless otherwise noted, were unsecured and non-interest bearing.

	June 30, 2024	December 31, 2023
Accounts payable and accrued liabilities – other liabilities	\$ 97,999	\$ 41,190

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11. EXPLORATION AND EVALUATION EXPENSES

	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
Assays	\$ 418,459	\$ 183,867	\$ 678,662	\$ 273,524
Consulting – geological and other	240,788	67,228	323,404	278,911
Drilling	1,161,075	384,332	1,613,352	598,312
Equipment and vehicle expenses	184,002	118,231	346,873	226,357
Environmental studies	44,896	3,244	44,896	-
Fees and licenses	36,451	3,998	47,038	38,529
Field expenditures and road construction	131,738	102,471	231,594	162,351
Payroll	326,959	297,165	617,994	585,745
Room and boarding	72,806	61,539	141,753	119,131
Other	8,126	8,190	12,424	14,390
Total	\$ 2,625,300	\$ 1,230,265	\$ 4,057,990	\$ 2,297,250

12. GENERAL AND ADMINISTRATION EXPENSES

	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
Investor relations and shareholder communication	\$ 57,108	\$ 27,541	\$ 135,684	\$ 134,079
Insurance	29,740	28,686	65,675	63,496
Management and director fees	369,952	316,682	692,346	545,685
Office and miscellaneous	57,415	63,674	99,698	121,649
Payroll	117,581	100,962	248,860	263,958
Rent	20,856	18,430	37,943	36,538
Subscriptions and licenses	1,970	2,732	5,242	4,031
Telephone and information technology	13,623	13,787	27,397	28,384
Travel	73,924	52,079	116,850	95,596
Other	39,362	12,494	63,898	53,488
Total	\$ 781,531	\$ 637,067	\$ 1,493,593	\$ 1,346,904

13. CAPITAL MANAGEMENT

The capital structure of the Company consists of equity totalling \$21,587,031 (December 31, 2023 - \$15,019,001). 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 manages the capital structure and makes adjustments as a result of changes in economic condition and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may attempt to issue new shares, issue new debt, acquire or dispose of assets or adjust the amount of cash.

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

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14. RISK MANAGEMENT AND FINANCIAL INSTRUMENTS

Financial instruments

The Company 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 quotes 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 cash and accounts payable approximate fair value due to the short-term nature of the financial instruments.

Risk management

The Company 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 Company to credit risk consist of cash. The Company deposits cash with high credit quality financial institutions as determined by rating agencies.

Currency risk

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

The Company is exposed to foreign exchange risk through the following financial assets and liabilities denominated in currencies other than the functional currency of the applicable company:

As at June 30, 2024	US dollar	Canadian dollar	Pound Sterling	Swiss Franc
Cash	\$ 1,783	\$ 13,999,123	\$ 2,819	\$ 5,562
Total Assets	1,783	13,999,123	2,819	5,562
Accounts payable and accrued liabilities	(368,607)	-	-	-
Net Assets	\$ (366,824)	\$ 13,999,123	2,819	\$ 5,562

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As at December 31, 2023	US dollar	Canadian dollar
Cash	\$ 1,819	\$ 6,156,849
Total Assets	1,819	6,156,849
Accounts payable and accrued liabilities	(676,465)	-
Net Assets	\$ (674,646)	\$ 6,156,849

As at June 30, 2024, fluctuations of +/- 10% in the US dollar, relative to those foreign currencies, would impact the Company's consolidated loss for the six-month period ended June 30, 2024 by approximately \$1,400,514. In addition, such fluctuations would impact the Company's consolidated total assets, consolidated total liabilities and consolidated total equity by approximately \$187,531, \$33,510 and \$335,097, respectively, as at June 30, 2024.

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

Liquidity risk

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

The Company has historically relied upon 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 Company's accounts payable and accrued liabilities are subject to normal trade terms. The Company is exposed to risk that it will encounter difficulty in satisfying liabilities on maturity.

There can be no assurance the Company will be able to obtain required financing in the future on acceptable terms. The Company 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 Company 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 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 Company in creating revenue, cash flows or earnings.

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As at June 30, 2024, the Company's liabilities that have contractual maturities are as follows:

	Less than 1 year	Less than 2 years	2 years or greater	Total
Accounts payable and accrued liabilities	\$ 2,235,564	\$ -	\$ -	\$ 2,235,564
Provisions	314,684	2,459	-	317,143
Taxes and fees payable	162,070	-	-	162,070
	<u>\$ 2,712,318</u>	<u>\$ 2,459</u>	<u>\$ -</u>	<u>\$ 2,714,777</u>

15. SEGMENTED INFORMATION

The Company operates in one operating segment, being the acquisition, exploration and development of exploration and evaluation properties in Brazil. Accordingly, the chief decision makers consider Meridian to currently have one segment and, therefore, segmented information is not presented.