



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

**THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2023 and 2022
(UNAUDITED)**

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

	As at September 30, 2023	As at December 31, 2022
ASSETS		
Current		
Cash	\$ 10,901,185	\$ 6,174,891
Prepaid expenses and other assets	<u>305,731</u>	<u>216,403</u>
	11,206,916	6,391,294
Advances to suppliers	51,166	-
Property, plant and equipment (Note 4)	857,594	841,367
Exploration and evaluation assets (Note 5)	<u>8,711,676</u>	<u>8,020,634</u>
Total assets	<u>\$ 20,827,352</u>	<u>\$ 15,253,295</u>
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current		
Accounts payable and accrued liabilities (Note 6)	\$ 2,417,065	\$ 2,868,177
Taxes and fees payable (Note 7)	315,327	293,532
Provisions (Note 8)	<u>355,559</u>	<u>349,606</u>
	3,087,951	3,511,315
Provisions (Note 8)	58,201	61,900
Taxes and fees payable (Note 7)	<u>22,961</u>	<u>56,668</u>
	<u>3,169,113</u>	<u>3,629,883</u>
Equity (Deficit)		
Share capital (Note 9)	2,736,732	2,300,486
Share premium (Note 9)	66,366,978	53,985,844
Reserves (Note 9)	69,727,622	68,529,198
Deficit	<u>(121,173,093)</u>	<u>(113,192,116)</u>
Total equity (Deficit)	<u>17,658,239</u>	<u>11,623,412</u>
Total liabilities and equity	<u>\$ 20,827,352</u>	<u>\$ 15,253,295</u>

Nature of business and going concern (Note 1)

Subsequent events (Note 15)

On behalf of the Board on November 13, 2023:

"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 INCOME (LOSS) AND OTHER COMPREHENSIVE INCOME (LOSS)

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

(Unaudited)

	<u>Three months ended September 30,</u>		<u>Nine months ended September 30,</u>	
	2023	2022	2023	2022
Operating expenses				
Exploration and evaluation expenses (Note 10)	\$ 2,230,173	\$ 1,376,158	\$ 4,527,423	\$ 4,006,011
General and administration expenses (Note 11)	624,519	618,160	1,971,423	2,086,723
Professional fees	258,486	145,528	738,513	551,705
Care and maintenance expenses	17,133	16,047	49,983	46,386
Gain on sale of property, plant and equipment	-	-	-	(75,835)
Share-based payments (Note 9)	137,338	-	788,754	242,421
Write down of exploration and evaluation assets	-	22,458	-	22,458
Depreciation	45,745	36,301	126,735	94,859
Total operating expenses	(3,313,394)	(2,214,652)	(8,202,831)	(6,974,728)
Loss from operations	(3,313,394)	(2,214,652)	(8,202,831)	(6,974,728)
Finance items				
Mark-to-market revaluation of warrants (Note 9)	-	451,674	-	9,889,548
Finance income	76,741	23,652	118,165	44,170
Finance expense	(16,282)	(23,065)	(45,011)	(62,932)
Foreign exchange gain (loss)	(298,463)	(266,305)	148,700	(357,346)
Total finance expenses	(238,004)	185,956	221,854	9,513,440
Income (loss) for the period	(3,551,398)	(2,028,696)	(7,980,977)	2,538,712
Other comprehensive income (loss)				
Items that may be reclassified to income (loss)				
Foreign currency translation	(373,463)	(244,153)	202,651	107,703
Total other comprehensive income (loss)	(373,463)	(244,153)	202,651	107,703
Total comprehensive income (loss)	\$ (3,924,861)	\$ (2,272,849)	\$ (7,778,326)	\$ 2,646,415
Basic income (loss) per common share (Note 9)	\$ (0.01)	\$ (0.01)	\$ (0.04)	\$ 0.01
Diluted income (loss) per common share (Note 9)	(0.01)	(0.01)	(0.04)	(0.04)
Weighted average number of basic shares outstanding	242,489,312	180,610,429	224,295,909	169,385,387
Weighted average number of diluted shares outstanding	242,489,312	180,610,429	224,295,909	189,672,592

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

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

	<u>Nine months ended September 30,</u>	
	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income (loss) for the period	\$ (7,980,977)	\$ 2,538,712
Items not affecting cash:		
Accrued finance expense	45,011	38,376
Depreciation	126,735	94,859
Mark-to-market revaluation of warrants	-	(9,889,548)
Gain on sale of property, plant and equipment	-	(75,835)
Foreign exchange (gain) loss	(148,700)	357,346
Share-based payments	788,754	242,421
Write down of exploration and evaluation assets	-	22,458
Items affecting cash:		
Interest paid	(12,681)	(18,744)
Disbursements related to provisions	(26,891)	(173,162)
Changes in non-cash working capital items:		
Prepaid expenses and other assets	(89,427)	62,323
Taxes and fees payable	(17,468)	(336,624)
Accounts payable and accrued liabilities	324,658	74,855
Net cash used in operating activities	<u>(6,990,986)</u>	<u>(7,062,563)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Additions to property, plant and equipment	(90,977)	(140,899)
Exploration and evaluation asset acquisition (Note 5)	(779,621)	(103,380)
Advances to suppliers	(51,166)	
Proceeds from sale of property, plant and equipment	-	75,835
Net cash used in investing activities	<u>(921,764)</u>	<u>(168,444)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from public offering financing (note 9)	13,520,717	-
Share issuance costs related to the public offering financing (note 9)	(915,873)	-
Proceeds from the exercise of stock options	102,589	135,608
Proceeds from the exercise of warrants	-	1,532,609
Proceeds from the exercise of agent's compensation options	-	37,712
Proceeds from the exercise of agent's compensation options warrants	-	74,905
Net cash provided by financing activities	<u>12,707,433</u>	<u>1,780,834</u>
Effect of foreign exchange on cash	<u>(68,389)</u>	<u>(321,486)</u>
Net change in cash	<u>4,726,294</u>	<u>(5,771,659)</u>
Cash, beginning of the period	<u>6,174,891</u>	<u>9,059,798</u>
Cash, end of the period	<u>\$ 10,901,185</u>	<u>\$ 3,288,139</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					Deficit	Total Equity
	Shares	Share Capital	Share Premium	Reserves	Share based payments	Warrant reserve	Other reserves	Accumulated other comprehensive loss		
Balance, January 1, 2022	157,110,457	1,814,863	39,553,231	462,185	5,138,025	56,322	77,273,171	(14,021,225)	(113,992,224)	(3,715,652)
Debt restructuring transactions, conversion of debt (Note 9)	5,869,670	64,852	706,997	-	-	-	(771,849)	-	-	-
Shares issued, payment in kind of withholding taxes (Note 9)	509,795	5,377	370,762	-	-	-	-	-	-	376,139
Issuance of stock options	-	-	-	-	242,421	-	-	-	-	242,421
Exercise of stock options	397,732	4,136	208,703	-	(77,231)	-	-	-	-	135,608
Exercise of warrants	16,431,101	172,001	8,265,549	-	-	-	-	-	-	8,437,550
Exercise of agent's compensation options	383,836	4,091	70,598	-	-	(36,977)	-	-	-	37,712
Exercise of agent's compensation option warrants	859,065	9,140	65,765	-	-	-	-	-	-	74,905
Comprehensive income for the period	-	-	-	-	-	-	-	107,703	2,538,712	2,646,415
Balance, September 30, 2022	181,561,656	\$ 2,074,460	\$ 49,241,605	\$462,185	\$ 5,303,215	\$ 19,345	\$ 76,501,322	\$ (13,913,522)	\$ (111,453,512)	\$ 8,235,098
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	-	-	(1,180,026)	-	-	264,153	-	-	-	(915,873)
Shares issued regarding Cabaçal agreement payment (Note 9)	1,000,000	10,883	306,083	-	-	-	-	-	-	316,966
Issuance of stock options	-	-	-	-	788,754	-	-	-	-	788,754
Exercise of stock options	1,938,947	21,127	138,596	-	(57,134)	-	-	-	-	102,589
Comprehensive income (loss) for the period	-	-	-	-	-	-	-	202,651	(7,980,977)	(7,778,326)
Balance, September 30, 2023	242,572,708	\$ 2,736,732	\$ 66,366,978	\$462,185	\$ 6,034,835	\$ 330,376	\$ 76,501,322	\$ (13,601,096)	\$ (121,173,093)	\$ 17,658,239

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 \$7,980,977 during the nine-month period ended September 30, 2023 (2022 – income of \$2,538,712). The Company has a working capital of \$8,118,965 as at September 30, 2023 (December 31, 2022 - \$2,879,979).

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 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, 2022.

On January 1, 2023, the Company adopted amendments to IAS 1 that requires companies to disclose material accounting policies instead of significant accounting policies. The Company’s significant accounting policies are disclosed in Note 2 – Basis of Preparation and Significant Accounting Policies within the notes to the Company’s annual consolidated financial statements for the year ended December 31, 2022. The adoption of these amendments did not have an impact on the Company’s interim financial statements. The Company’s annual consolidated financial statements for the year ended December 31, 2023 will present only those policies which the Company considers material.

On January 1, 2023, the Company adopted amendments to IAS 8 which provide greater clarity in the definition of accounting estimates to distinguish changes in accounting estimates from changes in accounting policies. The Company will apply this definition of accounting estimates prospectively when assessing such changes. As a result, the adoption of the amendments did not have an immediate impact on the Company’s financial statements.

The condensed consolidated interim financial statements and accompanying notes were authorized for issue by the Company’s Board of Directors on November 13, 2023.

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

(Expressed in United States dollars)

(Unaudited)

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, which is the functional currency of the Company. 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.

Principles of consolidation

The condensed consolidated interim financial statements incorporate the assets and liabilities and revenues 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.

3. SIGNIFICANT ACCOUNTING JUDGMENTS AND ESTIMATES

The preparation of condensed interim consolidated 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, 2022.

4. PROPERTY, PLANT AND EQUIPMENT

Cost:	Land	Vehicles, machinery, and equipment	Office furniture and other	Total
Balance, December 31, 2022	\$ 71,396	\$ 920,009	\$ 189,171	\$ 1,180,576
Additions	-	12,344	87,987	100,331
Currency adjustment	3,604	46,376	9,037	59,017
Balance, September 30, 2023	\$ 75,000	\$ 978,729	\$ 286,195	\$ 1,339,924

Accumulated depreciation:	Land	Vehicles, machinery, and equipment	Office furniture and other	Total
Balance, December 31, 2022	\$ -	\$ (224,482)	\$ (114,727)	\$ (339,209)
Depreciation expense	-	(72,212)	(54,523)	(126,735)
Currency adjustment	-	(10,912)	(5,474)	(16,386)
Balance, September 30, 2023	\$ -	\$ (307,606)	\$ (174,724)	\$ (482,330)

Net book value:	Land	Vehicles, machinery, and equipment	Office furniture and other	Total
December 31, 2022	\$ 71,396	\$ 695,527	\$ 74,444	\$ 841,367
September 30, 2023	\$ 75,000	\$ 671,123	\$ 111,471	\$ 857,594

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5. EXPLORATION AND EVALUATION ASSETS

Summary of exploration and evaluation assets:

Balance as at December 31, 2022	\$	8,020,634
Fourth option payment - Cabaçal Agreement (note 5 (b))		316,966
Foreign currency adjustment		<u>374,076</u>
Balance as at September 30, 2023	\$	8,711,676

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 Agreements, the Company is required to make staged payments based on milestones achieved as follows:

Amounts triggered and paid as at September 30, 2023:

- \$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;
- \$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
- \$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.

MERIDIAN MINING UK SOCIETAS
NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
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(b) Cabaçal Agreement payments

During the nine-month period ended September 30, 2023, the Company and the Vendors started the process of establishing the Escrow Fund and the Company made payments of \$988,835 on behalf of the Vendors that have been deducted from the third payment amount. As at September 30, 2023, the remaining balance of third instalment of \$761,165 continues to be recognized in accounts payable and accrued liabilities.

The fourth payment under the Cabaçal Agreement was due on June 30, 2023. Under the Cabaçal Agreement, the Vendors had the option of receiving, 1,000,000 common shares of the Company or cash of C\$300,000 at their discretion. The Vendors elected to receive common shares as payment. The Company issued common shares on June 30, 2023 at a fair value of \$316,966 (C\$420,000) to maintain the right to explore the Cabaçal Project.

6. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	September 30, 2023	December 31, 2022
Current:		
Trade payables	\$ 1,164,561	\$ 723,664
Cabaçal Agreement (Note 5)	761,165	1,750,000
Payroll liabilities	353,241	202,428
Other liabilities	<u>138,098</u>	<u>192,085</u>
Total	<u>\$ 2,417,065</u>	<u>\$ 2,868,177</u>

7. TAXES AND FEES PAYABLE

	September 30, 2023	December 31, 2022
Current:		
Taxes and fees payable (i)	\$ 55,105	\$ 51,638
Withholding taxes and other taxes related to debt restructuring	56,621	54,036
Income tax payable	141,287	141,287
Other	<u>62,314</u>	<u>46,571</u>
	<u>\$ 315,327</u>	<u>\$ 293,532</u>
Non-Current:		
Taxes and fees payable (i)	<u>22,961</u>	<u>56,668</u>
Total	<u>\$ 338,288</u>	<u>\$ 350,200</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.

The terms of the instalment program can be summarized as follow:

- a) Brazilian social security taxes. The total taxes payable of \$78,066 will be repaid in equal monthly instalments over 17 months, adjusted for inflation.

As a result, the Company classified as long-term liabilities the amount of \$22,961 (December 31, 2022 - \$56,668).

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8. PROVISIONS

	Environmental provision (i)	Other provisions (ii)	Total
Balance, December 31, 2022	\$ 168,013	\$ 243,493	\$ 411,506
Spent during the period	(26,891)	-	(26,891)
Accretion	8,264	-	8,264
Foreign currency adjustment	8,589	12,292	20,881
Balance, September 30, 2023	\$ 157,975	\$ 255,785	\$ 413,760
Represented by:			
Current portion	\$ 99,774	\$ 255,785	\$ 355,559
Long-term portion	\$ 58,201	\$ -	\$ 58,201

(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 rates of 9.25% and are expected to be incurred up to the end of 2024.

(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 condensed consolidated interim financial statements on the date such charges occur. As at September 30, 2023, the Company has recognized a provision of \$255,785 (December 31, 2022 - \$243,493) 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 September 30, 2023 the Company had authorized unlimited number of common shares with a par value of €0.01.

Issued Capital

The Company has 242,572,708 (December 31, 2022 - 202,833,761) 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.

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Shares issued

During the nine-month period ended September 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
- 1,000,000 common shares issued as payment of the fourth instalment of the Cabaçal Agreement.
- 1,938,947 common shares for cash proceeds of \$102,589 pursuant to the exercise of stock options at the exercise price of C\$0.07.

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 \$299,728 on this offering. Total transactions costs incurred and allocated to share premium was \$1,180,026.

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.

On July 4, 2023, the Company issued 1,938,947 common shares for cash proceeds of \$102,589 pursuant to the exercise of stock options at the exercise price of C\$0.07.

During the nine-month period ended September 30, 2022, the Company issued:

- 16,431,101 common shares for cash proceeds of \$1,532,609 pursuant to the exercise of warrants.
- 1,242,901 common shares for cash proceeds of \$112,617 pursuant to the exercise of agent's compensation units and agent's compensation options warrants; the Company reallocated \$36,977 of warrant reserve to share capital and share premium in connection with the exercise of these agent's compensation units.
- 397,732 common shares for cash proceeds of \$135,608 pursuant to the exercise of stock options at the exercise price of C\$0.44.

Debt restructuring transactions:

Specifically, in regards to the debt restructuring transaction, the Company issued the following shares during the nine-month period ended September 30, 2022:

- 5,869,670 common shares on March 29, 2022 to Sentient Global Resources Fund IV L.P. ("SGRFIV") settling the Consolidated Facility agreement balance of C\$14,674,177 before its maturity. During the year ended December 31, 2020, the Company concluded the debt restructure transaction with SGRFIV which resulted in the reclassification of the balance outstanding of the Consolidated Facility agreement to other reserves in equity. Upon issuance of the common shares on March 29, 2022, the Company reclassified the amount of \$771,849 equivalent of the fair value of the Consolidated Facility agreement on December 21, 2020 from other reserves to share capital and share premium.
- 509,795 common shares on April 5, 2022 to HM Revenue & Customs ("HMRC" - United Kingdom tax authority) as payment of the withholding taxes obligation related to the Consolidated Facility agreement with SGRFIV. Upon issuance of the common shares on April 5, 2022, the Company settled the amount of \$376,139.

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

Reserves - Stock options and warrants

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

	Warrants		Stock Options	
	Number	Weighted Average Exercise Price	Number	Weighted Average Exercise Price
Outstanding December 31, 2021	22,044,851	C\$ 0.17	14,702,096	C\$ 0.48
Granted	-	-	565,000	1.00
Expired / cancelled	-	-	(39,079)	0.77
Exercised (i)	(16,431,101)	0.12	(397,732)	0.44
Outstanding September 30, 2022	5,613,750	C\$ 0.30	14,830,285	C\$ 0.50
Outstanding December 31, 2022	-	C\$ -	14,830,285	C\$ 0.50
Granted	-	-	3,920,500	0.50
Expired / cancelled	-	-	(1,691,026)	0.71
Exercised (i)	-	-	(1,938,947)	0.07
Outstanding September 30, 2023	-	-	15,120,812	C\$ 0.52
Number currently exercisable	-	C\$ -	15,120,812	C\$ 0.52

(i) During the nine months ended September 30, 2023, the weighted average share price at the date of the stock option exercise was C\$0.435 (2022 – C\$0.78).

As at September 30, 2023 the following stock options and agent's compensation options were outstanding:

	Number of options and warrants outstanding	Exercise Price (C\$)	Expiry Date	Remaining Contractual Life (years)
Stock options				
	4,352,684	0.07	October 22, 2024	1.06
	248,016	0.10	June 2, 2025	1.67
	2,660,000	0.45	February 26, 2026	2.41
	3,801,612	1.10	October 27, 2026	3.08
	100,000	1.10	February 6, 2027	3.36
	75,000	1.10	February 24, 2027	3.41
	390,000	0.95	May 17, 2027	3.63
	2,798,500	0.50	January 25, 2028	4.32
	695,000	0.50	July 26, 2028	4.82
Agent's compensation options				
	501,004 ⁽¹⁾	0.35	December 30, 2024	1.25
	1,677,000 ⁽²⁾	0.50	May 2, 2025	1.59

⁽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.

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.

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

On July 26, 2023, the Company granted 695,000 stock options to directors of the Company that vested immediately with an exercise price of C\$0.50 per common share for a term of five years, until July 26, 2028.

On February 6, 2022, the Company granted 100,000 stock options to a consultant that vested immediately with an exercise price of C\$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 C\$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 C\$0.95 per common share for a term of five years, until May 17, 2027.

In June 2022, the Company's shareholders approved the adoption of a new omnibus equity incentive plan (the "Omnibus Plan") to replace and supersede the Company's stock option plan (the "Previous Plan"). All outstanding stock options granted under the Previous Plan shall continue to be outstanding as stock options granted under and subject to the terms of the Omnibus Plan. Under the terms of the Omnibus Plan, the Company may grant share-based compensation in the form of stock options, restricted share units ("RSU") or deferred share units ("DSU") (collectively the "Awards") to directors, officers, employees, and consultants of the Company. The maximum number of shares reserved for issuance at any time pursuant to Awards granted under the Omnibus Plan shall be equal to 10% of the Company's outstanding shares. The maximum number of shares available for issuance pursuant to RSUs and DSUs granted under the Omnibus Plan shall be, in the aggregate, equal to 2% of the Company's outstanding shares, subject to availability under the aggregate 10% limit for the Omnibus Plan. The Awards can be granted for a maximum term of 10 years and vest as determined by the Board of Directors.

Total share-based payments recognized in the Statement of income (loss) and other comprehensive income (loss) for the nine-month period ended September 30, 2023 was \$788,754 (2022 - \$242,421) 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 nine-month periods ended September 30, 2023 and September 30, 2022:

	Options granted in 2023	Options granted in 2022
Risk-free interest rate	3.05%	1.74% - 2.84%
Expected life of options	5 years	5 years
Expected annualized volatility	85.02%	85.12% - 88.06%
Dividend yield	0.0%	0.0%
Forfeiture rate	0.0%	0.0%

Warrant 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 were classified and accounted for as a derivative liability at fair value with changes in fair value included in profit or loss. During the year ended December 31, 2022, warrants which were set to expire on July 15, 2022 were fully exercised, and warrants with a December 21, 2022 expiry date were partially exercised.

During the nine-month period ended September 30, 2022, there was a derivative gain of \$9,889,548 from the mark-to-market measurement of the warrant liability. The weighted average assumptions used in the Black-Scholes pricing model to calculate the fair value of the warrants were: an expected life of 0.28 years; annualized volatility of 73.57%; a risk-free interest rate of 2.41%; and zero expected dividend yield.

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

During the three-month period ended September 30, 2022, there was a derivative gain of \$451,674 from the mark-to-market measurement of the warrant liability. The weighted average assumptions used in the Black-Scholes pricing model to calculate the fair value of the warrants were: an expected life of 0.18 years; annualized volatility of 72.26%; a risk-free interest rate of 3.31%; and zero expected dividend yield.

Earnings (loss) per share:

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

	Three months ended	
	September 30, 2023	September 30, 2022
Numerator		
Loss for the period	\$ (3,551,398)	\$ (2,028,696)
Effect of dilutive securities	-	-
	\$ (3,551,398)	\$ (2,028,696)
Denominator		
For basic – weighted average number of shares outstanding	242,489,312	180,610,429
Effect of dilutive securities	-	-
For diluted – adjusted weighted average number of the shares outstanding	242,489,312	180,610,429
Earnings (loss) Per Share		
Basic	(0.01)	(0.01)
Diluted	(0.01)	(0.01)

For the three months ended September 30, 2023, 15,120,812 (2022 – 14,530,285) stock options, nil (2022 – 5,988,750) warrants and 2,178,004 (2022 – 119,013) 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.

	Nine months ended	
	September 30, 2023	September 30, 2022
Numerator		
Income (loss) for the period	\$ (7,980,977)	\$ 2,538,712
Effect of dilutive securities	-	(9,889,548)
	\$ (7,980,977)	\$ (7,350,836)
Denominator		
For basic – weighted average number of shares outstanding	224,295,909	169,385,387
Effect of dilutive securities	-	20,287,205
For diluted – adjusted weighted average number of the shares outstanding	224,295,909	189,672,592
Earnings (loss) Per Share		
Basic	(0.04)	0.01
Diluted	(0.04)	(0.04)

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

(Expressed in United States dollars)

(Unaudited)

For the nine months ended September 30, 2023, 15,120,812 stock options and 2,178,004 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 and for the nine months ended September 30, 2022, 4,705,638 stock options were not included in the calculation of diluted earnings per share as they are out of the money.

10. EXPLORATION AND EVALUATION EXPENSES

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2023	2022	2023	2022
Assays	\$ 237,056	\$ 151,115	\$ 510,580	\$ 436,348
Consulting – geological and other	190,811	177,396	469,722	353,171
Drilling	785,916	362,425	1,384,226	1,153,435
Equipment and vehicle expenses	162,353	137,109	388,710	389,511
Environmental studies	211,600	10,470	211,600	193,061
Fees and licenses	8,026	2,375	46,555	4,796
Field expenditures	154,624	99,773	316,975	394,637
Other	17,359	42,302	31,751	74,978
Payroll	385,707	310,136	971,452	795,402
Room and boarding	76,721	83,057	195,852	210,672
Total	\$ 2,230,173	\$ 1,376,158	\$ 4,527,423	\$ 4,006,011

11. GENERAL AND ADMINISTRATION EXPENSES

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2023	2022	2023	2022
Investor relations and shareholder communication	\$ 51,681	\$ 43,861	\$ 185,760	\$ 175,406
Insurance	29,639	38,682	93,135	129,357
Management and director fees	303,192	203,330	848,877	618,790
Office and miscellaneous	25,349	38,975	146,998	289,589
Payroll	132,447	178,279	396,405	506,379
Rent	18,098	20,347	54,636	47,282
Subscriptions and licenses	3,495	8,253	7,526	41,037
Telephone and information technology	15,590	15,090	43,974	48,710
Travel	34,112	23,299	129,708	134,963
Other	10,916	48,044	64,404	95,210
Total	\$ 624,519	\$ 618,160	\$ 1,971,423	\$ 2,086,723

12. CAPITAL MANAGEMENT

The capital structure of the Company consists of equity totalling \$17,658,239 (December 31, 2022 - \$11,623,412). 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 is not subject to externally imposed capital requirements and does not have exposure to asset-backed commercial paper or similar products.

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

13. 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. Warrant liability was measured at fair value based on Level 2 inputs.

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 Euro. 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 September 30, 2023	US dollar	Canadian dollar	Brazilian Real	Other currencies
Cash	\$ 1,026,447	\$ 9,702,730	\$ 166,319	\$ 5,689
Prepaid expenses and other assets	212,604	25,085	68,042	-
Total Assets	1,239,051	9,727,815	234,361	5,689
Accounts payable and accrued liabilities	(1,196,062)	(6,812)	(1,214,191)	-
Net Assets	\$ 42,989	\$ 9,721,003	\$ (979,830)	\$ 5,689

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

As at December 31, 2022	US dollar	Canadian dollar	Brazilian Real	Other currencies
Cash	\$ 50,523	\$ 6,066,485	\$ 57,883	\$ -
Prepaid expenses and other assets	153,657	19,768	42,978	-
Total Assets	204,180	6,086,253	100,861	-
Accounts payable and accrued liabilities	(2,257,514)	(110,233)	(500,430)	-
Net Assets	\$ (2,053,334)	\$ 5,976,020	\$ (399,569)	\$ -

As at September 30, 2023, fluctuations of +/- 10% in the US dollar, relative to those foreign currencies, would impact the Company's consolidated income (loss) for the nine-month period ended September 30, 2023 by approximately \$880,000. In addition, such fluctuations would impact the Company's consolidated total assets, consolidated total liabilities and consolidated total equity by approximately \$1,002,000, \$122,000 and \$880,000, respectively, as at September 30, 2023.

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 is exposed to interest rate risk through its financial assets consisting of cash balances and its financial liabilities consisting of taxes and fees payable. 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.

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

As at September 30, 2023, the Company's liabilities that have contractual maturities are as follows:

	September 30, 2023	<1 Year	2 Years	Total
Accounts payable and accrued liabilities	\$ 2,417,065	\$ -	\$ -	\$ 2,417,065
Provisions	355,559	58,201	-	413,760
Taxes and fees payable	315,327	22,961	-	338,288
	<u>\$ 3,087,951</u>	<u>\$ 81,162</u>	<u>\$ -</u>	<u>\$ 3,169,113</u>

14. SEGMENTED INFORMATION

A significant portion of the Company's operations are located in Brazil. From time to time various legal, labour, 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.

15. SUBSEQUENT EVENTS

Subsequent the period ended September 30, 2023, the Company granted:

- 950,000 stock options to certain directors, officers and employees of the Company exercisable at C\$0.50 per common share, for a term of five years, until October 11, 2028.
- 1,000,000 stock options to a director of the Company, exercisable at C\$0.35 per common share, for a period of 5 years, until October 27, 2028.