



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

**THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2024 and 2023
(UNAUDITED)**

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

| | As at September 30, 2024 | As at December 31, 2023 |
|---|-----------------------------|----------------------------|
| ASSETS | | |
| Current assets | | |
| Cash | \$ 11,164,934 | \$ 7,095,927 |
| Prepaid expenses and other assets | 330,677 | 385,818 |
| | 11,495,611 | 7,481,745 |
| Non-current assets | | |
| Property, plant and equipment (Note 4) | 826,443 | 949,962 |
| Exploration and evaluation assets (Note 5) | 8,340,607 | 9,019,501 |
| Total assets | \$ 20,662,661 | \$ 17,451,208 |
| LIABILITIES AND SHAREHOLDERS' EQUITY | | |
| Current liabilities | | |
| Accounts payable and accrued liabilities (Note 6) | \$ 1,830,171 | \$ 1,854,349 |
| Taxes and fees payable (Note 7) | 158,664 | 184,647 |
| Provisions (Note 8) | 320,127 | 363,330 |
| | 2,308,962 | 2,402,326 |
| Non-current liabilities | | |
| Provisions (Note 8) | - | 20,146 |
| Taxes and fees payable (Note 7) | - | 9,735 |
| | 2,308,962 | 2,432,207 |
| Equity | | |
| Share capital (Note 9) | 3,365,449 | 2,736,732 |
| Share premium (Note 9) | 79,304,006 | 66,366,978 |
| Reserves (Note 9) | 70,613,332 | 71,093,265 |
| Deficit | (134,929,088) | (125,177,974) |
| Total Equity | 18,353,699 | 15,019,001 |
| Total liabilities and equity | \$ 20,662,661 | \$ 17,451,208 |

Nature of business and going concern (Note 1)

Subsequent events (Note 15)

On behalf of the Board on November 14, 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 COMPREHENSIVE 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> | |
|--|---|-----------------------|--|-----------------------|
| | 2024 | 2023 | 2024 | 2023 |
| Operating expenses | | | | |
| Exploration and evaluation expenses (Note 10) | \$ 2,762,289 | \$ 2,230,173 | \$ 6,820,279 | \$ 4,527,423 |
| General and administration expenses (Note 11) | 720,551 | 624,519 | 2,214,144 | 1,971,423 |
| Professional fees | 92,545 | 258,486 | 453,431 | 738,513 |
| Re-commissioning and standby costs | 23,110 | 17,133 | 63,197 | 49,983 |
| Share-based payments (Note 9) | - | 137,338 | 118,834 | 788,754 |
| Depreciation | 48,855 | 45,745 | 146,687 | 126,735 |
| Total operating expenses | (3,647,350) | (3,313,394) | (9,816,572) | (8,202,831) |
| Loss from operations | (3,647,350) | (3,313,394) | (9,816,572) | (8,202,831) |
| Finance items | | | | |
| Finance income | 122,567 | 76,741 | 307,213 | 118,165 |
| Finance expense | (11,387) | (16,282) | (32,616) | (45,011) |
| Foreign exchange gain (loss) | 117,678 | (298,463) | (209,139) | 148,700 |
| Total finance income (expenses) | 228,858 | (238,004) | 65,458 | 221,854 |
| Loss for the period | (3,418,492) | (3,551,398) | (9,751,114) | (7,980,977) |
| Other comprehensive income (loss) | | | | |
| Items that may be reclassified to income (loss) | | | | |
| Foreign currency translation | 183,223 | (373,463) | (862,282) | 202,651 |
| Total other comprehensive income (loss) | 183,223 | (373,463) | (862,282) | 202,651 |
| Total comprehensive loss | \$ (3,235,269) | \$ (3,924,861) | \$ (10,613,396) | \$ (7,778,326) |
| Loss per share (Note 9) | | | | |
| Basic | \$ (0.01) | \$ (0.01) | \$ (0.03) | \$ (0.04) |
| Diluted | (0.01) | (0.01) | (0.03) | (0.04) |
| Weighted average number of shares outstanding (000s) | | | | |
| Basic | 300,442 | 242,489 | 279,481 | 224,296 |
| Diluted | 300,442 | 242,489 | 279,481 | 224,296 |

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> | |
|--|--|----------------------|
| | 2024 | 2023 |
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Loss for the period | \$ (9,751,114) | \$ (7,980,977) |
| Items not affecting cash: | | |
| Finance expense | 32,616 | 45,011 |
| Depreciation | 146,687 | 126,735 |
| Foreign exchange gain (loss) | 209,139 | (148,700) |
| Share-based payments (Note 9) | 118,834 | 788,754 |
| Items affecting cash: | | |
| Interest paid | (22,419) | (12,681) |
| Disbursements related to provisions | (25,394) | (26,891) |
| Changes in non-cash working capital items: | | |
| Prepaid expenses and other assets | 50,240 | (89,427) |
| Taxes and fees payable | (26,379) | (17,468) |
| Accounts payable and accrued liabilities | 237,255 | 324,658 |
| Net cash used in operating activities | <u>(9,030,535)</u> | <u>(6,990,986)</u> |
| CASH FLOWS FROM INVESTING ACTIVITIES | | |
| Additions to property, plant and equipment | (125,099) | (90,977) |
| Exploration and evaluation asset acquisition (Note 5 (b)) | (565,820) | (779,621) |
| Advances to suppliers | - | (51,166) |
| Net cash used in investing activities | <u>(690,919)</u> | <u>(921,764)</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) | (915,873) |
| Proceeds from the exercise of stock options | 1,936 | 102,589 |
| Proceeds from the exercise of agent's compensation options warrants | 92,324 | - |
| Net cash provided by financing activities | <u>13,829,260</u> | <u>12,707,433</u> |
| Effect of foreign exchange on cash | <u>(38,799)</u> | <u>(68,389)</u> |
| Net change in cash | <u>4,069,007</u> | <u>4,726,294</u> |
| Cash, beginning of the period | <u>7,095,927</u> | <u>6,174,891</u> |
| Cash, end of the period | <u>\$ 11,164,934</u> | <u>\$ 10,901,185</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 | | | | | | |
|--|---------------|---------------|---------------|-----------|----------------------|-----------------|----------------|---|------------------|---------------|
| | Shares | Share Capital | Share Premium | Reserves | Share based payments | Warrant reserve | Other reserves | Accumulated other comprehensive income (loss) | Deficit | Total Equity |
| 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) | - | - | (1,180,026) | - | - | 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 |
| 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) | - | - | - | - | 118,834 | - | - | - | - | 118,834 |
| Stock options exercises | 37,287 | 413 | 2,622 | - | (1,099) | - | - | - | - | 1,936 |
| Compensation options exercises | 358,782 | 3,900 | 126,216 | - | - | (37,792) | - | - | - | 92,324 |
| Comprehensive loss for the period | - | - | - | - | - | - | - | (862,282) | (9,751,114) | (10,613,396) |
| Balance, September 30, 2024 | 300,468,777 | \$ 3,365,449 | \$ 79,304,006 | \$462,185 | \$ 7,250,023 | \$ 594,990 | \$ 76,501,322 | \$ (14,195,188) | \$ (134,929,088) | \$ 18,353,699 |

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 \$9,751,114 during the nine months ended September 30, 2024 (2023 – \$7,980,977). The Company has a working capital of \$9,186,649 as at September 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 November 14, 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 nine months ended September 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.

The Company has considered the amendments to IAS 1: Presentation of Financial Statements, IAS 7: Statement of Cash Flows and Errors, IFRS 7: Financial Instruments: Disclosures and IFRS 16: Leases, which are effective for annual periods beginning on or after January 1, 2024 and has concluded that these amendments have no impact on the Company's condensed consolidated interim financial statements.

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 | - | 27,406 | 97,693 | 125,099 |
| Foreign currency adjustment | (8,417) | (121,863) | (36,940) | (167,220) |
| Balance, September 30, 2024 | \$ 69,372 | \$ 1,021,800 | \$ 366,473 | \$ 1,457,645 |

| Accumulated depreciation: | Land | Vehicles, machinery, and equipment | Office furniture and other | Total |
|------------------------------------|------|---------------------------------------|-------------------------------|--------------|
| Balance, December 31, 2023 | \$ - | \$ (345,829) | \$ (203,975) | \$ (549,804) |
| Depreciation expense | - | (78,088) | (68,599) | (146,687) |
| Foreign currency adjustment | - | 40,507 | 24,782 | 65,289 |
| Balance, September 30, 2024 | \$ - | \$ (383,410) | \$ (247,792) | \$ (631,202) |

| Net book value: | Land | Vehicles, machinery, and equipment | Office furniture and other | Total |
|---------------------------|-----------|---------------------------------------|-------------------------------|------------|
| December 31, 2023 | \$ 77,789 | \$ 770,428 | \$ 101,745 | \$ 949,962 |
| September 30, 2024 | \$ 69,372 | \$ 638,390 | \$ 118,681 | \$ 826,443 |

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

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>(928,894)</u> |
| Balance as at September 30, 2024 | \$ 8,340,607 |

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 September 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 national 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 this 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

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

- \$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 nine months ended September 30, 2024, the Company made payments of \$565,820 on behalf of and to the Vendors that have been deducted from the third instalment payment payable amount. As at September 30, 2024, the following remaining balances continue to be recognized in accounts payable and accrued liabilities:

- Third instalment - \$110,738
- Fifth instalment - \$250,000

6. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

| | September 30, 2024 | December 31, 2023 |
|-------------------------------|---------------------|---------------------|
| Current: | | |
| Trade payables | \$ 1,089,788 | \$ 884,191 |
| Cabaçal Agreement (Note 5(b)) | 360,738 | 676,465 |
| Payroll liabilities | 326,219 | 252,503 |
| Other liabilities | 53,426 | 41,190 |
| Total | \$ 1,830,171 | \$ 1,854,349 |

7. TAXES AND FEES PAYABLE

| | September 30, 2024 | December 31, 2023 |
|---|--------------------|-------------------|
| Current: | | |
| Taxes and fees payable (i) | \$ 22,983 | \$ 58,406 |
| Withholding taxes and other taxes related to debt restructuring | 60,434 | 58,650 |
| Other | 75,247 | 67,591 |
| | \$ 158,664 | 184,647 |
| Non-Current: | | |
| Taxes and fees payable (i) | - | 9,735 |
| Total | \$ 158,664 | \$ 194,382 |

(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 September 30, 2024, the total balance of the Brazilian social security taxes payable was \$22,983 (December 31 2023 - \$58,406) that will be repaid in equal monthly instalments over 6 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 | (25,394) | - | (25,394) |
| Accretion | 2,637 | - | 2,637 |
| Foreign currency adjustment | (5,017) | (35,576) | (40,593) |
| Balance, September 30, 2024 | <u>\$ 26,909</u> | <u>\$ 293,218</u> | <u>\$ 350,127</u> |
| Represented by: | | | |
| Current portion | \$ 26,909 | \$ 293,218 | \$ 320,127 |
| Long-term portion | \$ - | \$ - | \$ - |

(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 September 30, 2024, the Company has recognized a provision of \$293,218 (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 September 30, 2024 the Company had authorized unlimited number of common shares with a par value of €0.01.

Issued Capital

The Company has 300,468,777 (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
NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
(Expressed in United States dollars)
(Unaudited)

Shares issued

During the nine months ended September 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;
- 37,287 common shares for cash proceeds of \$1,936 pursuant to the exercise of stock options at the exercise price of C\$0.07; and
- 358,782 common shares for cash proceeds of \$92,324 pursuant to the agent's compensation options at the exercise price of C\$0.35.

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 nine months 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 (Note 5 (b)); and
- 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.

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

Reserves - Stock options

Stock option transactions are summarized as follows:

| | Stock Options | |
|--------------------------------|---------------|---------------------------------|
| | Number | Weighted Average Exercise Price |
| Outstanding December 31, 2022 | 14,830,285 | C\$ 0.50 |
| Granted | 3,920,500 | 0.50 |
| Expired / cancelled | (1,691,026) | 0.71 |
| Exercised <i>(i)</i> | (1,938,947) | 0.07 |
| Outstanding September 30, 2023 | 15,120,812 | C\$ 0.52 |
| Outstanding December 31, 2023 | 21,543,103 | C\$ 0.65 |
| Granted | 780,000 | 0.47 |
| Expired / cancelled | (681,112) | 0.64 |
| Exercised <i>(i)</i> | (37,287) | 0.07 |
| Outstanding September 30, 2024 | 21,604,704 | C\$ 0.50 |

(i) During the nine months ended September 30, 2024, the weighted average share price at the date of the stock option exercise was C\$0.36 (2023 – C\$0.435).

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

| | Number of options outstanding | Exercise Price (C\$) | Expiry Date | Remaining Contractual Life (years) |
|-------------------------------------|-------------------------------|----------------------|-------------------|------------------------------------|
| Stock options | 4,315,397 ⁽¹⁾ | 0.07 | October 22, 2024 | 0.06 |
| | 248,016 | 0.10 | June 2, 2025 | 0.67 |
| | 2,515,000 | 0.45 | February 26, 2026 | 1.41 |
| | 600,000 | 0.46 | April 29, 2026 | 1.58 |
| | 3,615,155 | 1.10 | October 27, 2026 | 2.07 |
| | 100,000 | 1.10 | February 6, 2027 | 2.35 |
| | 75,000 | 1.10 | February 24, 2027 | 2.40 |
| | 390,000 | 0.95 | May 17, 2027 | 2.63 |
| | 2,676,500 | 0.50 | January 25, 2028 | 3.32 |
| | 695,000 | 0.50 | July 26, 2028 | 3.82 |
| | 950,000 | 0.50 | October 11, 2028 | 4.03 |
| | 1,000,000 | 0.35 | October 27, 2028 | 4.08 |
| | 4,244,636 | 0.50 | November 28, 2028 | 4.16 |
| | 180,000 | 0.50 | February 28, 2029 | 4.42 |
| Agent's compensation options | 142,222 ⁽²⁾ | 0.35 | December 30, 2024 | 0.25 |
| | 1,677,000 ⁽³⁾ | 0.50 | May 2, 2025 | 0.59 |
| | 2,101,628 ⁽⁴⁾ | 0.35 | April 9, 2026 | 1.52 |

⁽¹⁾ Subsequent to September 30, 2024, 4,293,025 stock options were exercised (Note 15) and 22,372 stock options expired.

⁽²⁾ Issued in connection with the brokered private placement closed on December 30, 2022.

⁽³⁾ Issued in connection with the public offering closed on May 2, 2023.

⁽⁴⁾ Issued in connection with the public offering closed on April 9, 2024.

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

(Expressed in United States dollars)

(Unaudited)

Total share-based payments recognized in the Statements of Loss for the nine months ended September 30, 2024 was \$118,834 (2023 - \$788,754) for incentive options granted and vested.

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.

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 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 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 nine-month periods ended September 30, 2024 and September 30, 2023:

| | Options granted in 2024 | Options granted in 2023 |
|--------------------------------|-------------------------|-------------------------|
| Risk-free interest rate | 3.60% - 3.81% | 3.05% |
| Expected life of options | 2 - 5 years | 5 years |
| Expected annualized volatility | 78.55% - 83.24% | 85.02% |
| 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 | |
|--|-----------------------|-----------------------|
| | September 30, 2024 | September 30, 2023 |
| Numerator | | |
| Loss for the period | \$ (3,418,492) | \$ (3,551,398) |
| | \$ (3,418,492) | \$ (3,551,398) |
| Denominator | | |
| For basic – weighted average number of shares outstanding | 300,441,513 | 242,489,312 |
| For diluted – adjusted weighted average number of the shares outstanding | 300,441,513 | 242,489,312 |
| Loss Per Share | | |
| Basic | \$ (0.01) | \$ (0.01) |
| Diluted | \$ (0.01) | \$ (0.01) |

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

| | Nine months ended | |
|--|-----------------------|-----------------------|
| | September 30, 2024 | September 30, 2023 |
| Numerator | | |
| Loss for the period | \$ (9,751,114) | \$ (7,980,977) |
| | \$ (9,751,114) | \$ (7,980,977) |
| Denominator | | |
| For basic – weighted average number of shares outstanding | 279,481,263 | 224,295,909 |
| For diluted – adjusted weighted average number of the shares outstanding | 279,481,263 | 224,295,909 |
| Loss Per Share | | |
| Basic | \$ (0.03) | \$ (0.04) |
| Diluted | \$ (0.03) | \$ (0.04) |

For the three and nine months ended September 30, 2024, 5,563,413 in the money stock options (September 30, 2023 – 4,600,700) and 2,243,850 in the money agent’s compensation options (September 30, 2023 – 501,004) 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. EXPLORATION AND EVALUATION EXPENSES

| | Three Months Ended September 30, | | Nine Months Ended September 30, | |
|---|----------------------------------|---------------------|---------------------------------|---------------------|
| | 2024 | 2023 | 2024 | 2023 |
| Assays | \$ 555,810 | \$ 237,056 | \$ 1,234,472 | \$ 510,580 |
| Consulting – geological and other | 501,449 | 190,811 | 824,853 | 469,722 |
| Drilling | 795,718 | 785,916 | 2,409,070 | 1,384,226 |
| Equipment and vehicle expenses | 167,851 | 162,353 | 514,724 | 388,710 |
| Environmental studies | 62,055 | 211,600 | 106,951 | 211,600 |
| Fees and licenses | 9,357 | 8,026 | 56,395 | 46,555 |
| Field expenditures and roads maintenance | 199,679 | 154,624 | 431,273 | 316,975 |
| Payroll | 331,194 | 385,707 | 949,188 | 971,452 |
| Room and boarding | 74,999 | 76,721 | 216,752 | 195,852 |
| Other | 64,177 | 17,359 | 76,601 | 31,751 |
| Total | \$ 2,762,289 | \$ 2,230,173 | \$ 6,820,279 | \$ 4,527,423 |

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

(Expressed in United States dollars)

(Unaudited)

11. GENERAL AND ADMINISTRATION EXPENSES

| | Three Months Ended September 30, | | Nine Months Ended September 30, | |
|--|----------------------------------|-------------------|---------------------------------|---------------------|
| | 2024 | 2023 | 2024 | 2023 |
| Investor relations and shareholder communication | \$ 82,277 | \$ 51,681 | \$ 217,961 | \$ 185,760 |
| Insurance | 30,083 | 29,639 | 95,758 | 93,135 |
| Management and director fees | 342,780 | 303,192 | 1,035,126 | 848,877 |
| Office and miscellaneous | 13,353 | 25,349 | 113,051 | 146,998 |
| Payroll | 122,398 | 132,447 | 371,258 | 396,405 |
| Rent | 20,117 | 18,098 | 58,060 | 54,636 |
| Subscriptions and licenses | 2,287 | 3,495 | 7,529 | 7,526 |
| Telephone and information technology | 12,340 | 15,590 | 39,737 | 43,974 |
| Travel | 32,714 | 34,112 | 149,564 | 129,708 |
| Other | 62,202 | 10,916 | 126,100 | 64,404 |
| Total | \$ 720,551 | \$ 624,519 | \$ 2,214,144 | \$ 1,971,423 |

12. CAPITAL MANAGEMENT

The capital structure of the Company consists of equity totalling \$18,353,699 (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.

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.

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.

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

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 September 30, 2024 | | | |
|--|----|-----------|-----------------|
| | | US dollar | Canadian dollar |
| Cash | \$ | 1,765 | \$ 10,753,705 |
| Prepaid expenses and other assets | | - | - |
| Total Assets | | 1,765 | 10,753,705 |
| Accounts payable and accrued liabilities | | (360,738) | - |
| Net Assets | \$ | (358,973) | \$ 10,753,705 |
| 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 September 30, 2024, fluctuations of +/- 10% in the US dollar, relative to those foreign currencies, would impact the Company's consolidated loss for the nine months ended September 30, 2024 by approximately \$1,075,127. In addition, such fluctuations would impact the Company's consolidated total assets, consolidated total liabilities and consolidated total equity by approximately \$178,740, \$32,794 and \$327,944, respectively, as at September 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.

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

(Expressed in United States dollars)

(Unaudited)

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.

As at September 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 | \$ 1,830,171 | \$ - | \$ - | \$ 1,830,171 |
| Provisions | 320,127 | - | - | 320,127 |
| Taxes and fees payable | 158,664 | - | - | 158,664 |
| | <u>\$ 2,308,962</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 2,308,962</u> |

14. 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.

15. SUBSEQUENT EVENTS

Subsequent to the nine months ended September 30, 2024, the Company issued:

- 3,927,610 common shares and received gross proceeds totalling \$200,048 related to the exercise of share purchase stock options;
- 303,029 common shares related to the exercise on a cashless basis (net exercise) of 365,415 share purchase stock options, in accordance with the Company's omnibus plan; and
- 75,151 common shares and received gross proceeds totalling \$19,093 related to the exercise of agent's compensation options.