CONIAGAS BATTERY METALS INC.

FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2023 AND 2022

(EXPRESSED IN CANADIAN DOLLARS)

McGovern Hurley

Audit. Tax. Advisory.

Independent Auditor's Report

To the Shareholders of Coniagas Battery Metals Inc.

Opinion

We have audited the financial statements of Coniagas Battery Metals Inc. (the "Company"), which comprise the statements of financial position as at December 31, 2023 and 2022, and the statements of loss and comprehensive loss, statements of changes in equity (deficiency) and statements of cash flows for the years then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2023 and 2022 and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards ("IFRS").

Basis for opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada. We have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material uncertainty related to going concern

We draw attention to Note 1 in the financial statements, which indicates that the Company incurred a net loss during the year ended December 31, 2023 and, as of that date, the Company's current liabilities exceeded its current assets. As stated in Note 1, these events or conditions, along with other matters as set forth in Note 1, indicate that material uncertainties exist that cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

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Other information

Management is responsible for the other information. The other information comprises Management's Discussion and Analysis.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

We obtained Management's Discussion and Analysis prior to the date of this auditor's report. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of management and those charged with governance for the financial statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

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- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risks of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

McGovern Hurley LLP

McGovern Hurley LLP

Chartered Professional Accountants
Licensed Public Accountants

Toronto, Ontario
April 29, 2024

Coniagas Battery Metals Inc.
Statements of Financial Position
(Expressed in Canadian Dollars)

	As at December 31, 2023	As at December 31, 2022
ASSETS		
Current assets		
Cash	**$ 10**	$ 10
Restricted cash (note 10)	**389,260**	-
Total assets	**$ 389,270**	$ 10
LIABILITIES AND EQUITY		
Current liabilities		
Trade payables and accrued liabilities	**$ 129,032**	$ -
Share subscription liability (note 10)	**389,260**	-
Total liabilities	**518,292**	-
Equity (deficiency)		
Share capital	**10**	10
Deficit	**(129,032)**	-
Total equity (deficiency)	**(129,022)**	10
Total liabilities and equity (deficiency)	**$ 389,270**	$ 10

The accompanying notes to the financial statements are an integral part of these statements.

Nature of business and going concern (note 1)
Subsequent events (note 10)
Commitments and contingencies (note 8)

Approved on behalf of the Board:

(Signed) "Frank Basa" Director

(Signed) "Aurelian Basa" Director

Coniagas Battery Metals Inc.
Statements of Loss and Comprehensive Loss
(Expressed in Canadian Dollars)

	Year Ended December 31, 2023	Year Ended December 31, 2022
Expenses		
Professional fees	**$ 115,990**	$ -
Filing costs	**10,417**	-
Marketing and communications	**2,625**	-
Net loss and comprehensive loss for the year	**$ (129,032)**	$ -
Basic and diluted net comprehensive loss per share	**$ (12,903)**	$ -
Weighted average number of common shares outstanding - basic and diluted	**10**	10

The accompanying notes to the financial statements are an integral part of these statements.

Coniagas Battery Metals Inc.
Statements of Changes in Equity
(Expressed in Canadian Dollars)

	Share capital	Deficit	Total
Balance, December 31, 2021	**$ 10**	**$ -**	**$ 10**
Net loss and comprehensive loss for the year	-	-	-
Balance, December 31, 2022	**$ 10**	**$ -**	**$ 10**
Net loss and comprehensive loss for the year	-	(129,032)	(129,032)
Balance, December 31, 2023	**$ 10**	**$ (129,032)**	**$ (129,022)**

The accompanying notes to the financial statements are an integral part of these statements.

Coniagas Battery Metals Inc.
Statements of Cash Flows
(Expressed in Canadian Dollars)

	Year Ended December 31, 2023	Year Ended December 31, 2022
Operating activities		
Net loss and comprehensive loss for the year	**$ (129,032)**	$ -
Changes in non-cash working capital items:		
Trade payables and other liabilities	**129,032**	-
Net cash used in operating activities	**-**	-
Investing activities		
Restricted cash	**(389,260)**	-
Net cash used in investing activities	**(389,260)**	-
Financing activities		
Share subscription liability	**389,260**	-
Net cash provided by financing activities	**389,260**	-
Net change in cash	**-**	-
Cash, beginning of year	**10**	10
Cash, end of year	**$ 10**	$ 10

The accompanying notes to the financial statements are an integral part of these statements.

1. Nature of business and going concern

Coniagas Battery Metals Inc. ("Coniagas" or the "Company") is a company incorporated under the provisions of *Canada Business Corporations Act* on November 11, 2021 in order to complete the Arrangement (as defined in note 9).

As at December 31, 2023, the Company was a wholly owned subsidiary of Nord Precious Metals Mining Inc. ("Nord"), a TSX-V listed entity. On March 18, 2024, the Company's common shares began trading on the TSX Venture Exchange under the symbol "COS".

The Company's registered and head office is located at 550 Burrard Street, Suite 2900, Vancouver, British Columbia V6C 0A3.

Going concern

As at December 31, 2023, the Company had current assets $389,270 (December 31, 2022 - $10) to fund current liabilities of $518,292 (December 31, 2022 - $nil). Further, the Company had an accumulated deficit of $129,032 as of December 31, 2023 (December 31, 2022 - $nil) and working capital deficiency of $129,022 (December 31, 2022 - surplus $10).

The Company's ability to continue operations is highly dependent on Management's ability to secure additional financing. Management acknowledges that while it has been successful in raising capital subsequent to December 31, 2023, there can be no assurance it will be able to do so in the future. As a result, there is material uncertainty that results in significant doubt about the Company´s ability to continue as a going concern. These consolidated financial statements do not include the adjustments that would be necessary should the Company be unable to continue as a going concern. Such adjustments could be material.

2. Significant accounting policies

The Company applies International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board (“IASB”) and interpretations issued by the IFRS Interpretations Committee (“IFRIC”).

The policies applied in these financial statements are based on IFRSs issued and outstanding as of December 31, 2023. These financial statements were approved by the Board of Directors on April 29, 2024.

Basis of presentation

These financial statements have been prepared on a historical cost basis. The Company's functional and presentation currency is Canadian dollars.

Cash

Cash is comprised of cash on hand. As of December 31, 2023 and 2022, there were no cash equivalents held by the Company.

2. Significant accounting policies (continued)

Financial instruments

Financial assets

Initial recognition and measurement

Non-derivative financial assets within the scope of IFRS 9 are classified and measured as "financial assets at fair value", as either fair value through profit or loss ("FVPL") or fair value through other comprehensive income ("FVOCI"), and "financial assets at amortized costs", as appropriate. The Company determines the classification of financial assets at the time of initial recognition based on the Company's business model and the contractual terms of the cash flows.

All financial assets are recognized initially at fair value plus, in the case of financial assets not at FVPL, directly attributable transaction costs on the trade date at which the Company becomes a party to the contractual provisions of the instrument. Financial assets with embedded derivatives are considered in their entirety when determining their classification at FVPL or at amortized cost. Cash and restricted cash are measured at amortized cost.

Subsequent measurement – financial assets at amortized cost

After initial recognition, financial assets measured at amortized cost are subsequently measured at the end of each reporting period at amortized cost using the Effective Interest Rate ("EIR") method. Amortized cost is calculated by taking into account any discount or premium on acquisition and any fees or costs that are an integral part of the EIR.

Subsequent measurement – financial assets at FVPL

Financial assets measured at FVPL include financial assets management intends to sell in the short term and any derivative financial instrument that is not designated as a hedging instrument in a hedge relationship. Financial assets measured at FVPL are carried at fair value in the statements of financial position with changes in fair value recognized in other income or expense in the consolidated statements of loss. The Company does not measure any financial instruments at FVPL.

Subsequent measurement – financial assets at FVOCI

Financial assets measured at FVOCI are non-derivative financial assets that are not held for trading and the Company has made an irrevocable election at the time of initial recognition to measure the assets at FVOCI. The Company does not measure any financial assets at FVOCI.

After initial measurement, investments measured at FVOCI are subsequently measured at fair value with unrealized gains or losses recognized in other comprehensive income or loss in the statements of comprehensive loss. When the investment is sold, the cumulative gain or loss remains in accumulated other comprehensive income or loss and is not reclassified to profit or loss.

Dividends from such investments are recognized in other income in the statements of loss when the right to receive payments is established.

Derecognition

A financial asset is derecognized when the contractual rights to the cash flows from the asset expire, or the Company no longer retains substantially all the risks and rewards of ownership.

2. Significant accounting policies (continued)

Financial instruments (continued)

Impairment of financial assets

There are currently no financial assets subject to impairment. The Company has elected to apply the simplified approach to impairment as permitted by IFRS 9, which requires the expected lifetime loss to be recognized at the time of initial recognition of accounts receivable. To measure estimated credit losses, accounts receivable have been grouped based on shared credit risk characteristics, including the number of days past due. An impairment loss is reversed in subsequent periods if the amount of the expected loss decreases and the decrease can be objectively related to an event occurring after the initial impairment was recognized.

Financial liabilities

Initial recognition and measurement

Financial liabilities are measured at amortized cost, unless they are required to be measured at FVPL as is the case for held for trading or derivative instruments, or the Company has opted to measure the financial liability at FVPL. All financial liabilities are recognized initially at fair value.

Subsequent measurement – financial liabilities at amortized cost

After initial recognition, financial liabilities measured at amortized cost are subsequently measured at the end of each reporting period at amortized cost using the EIR method. Amortized cost is calculated by taking into account any discount or premium on acquisition and any fees or costs that are an integral part of the EIR. The Company's accounts payable and accrued liabilities and share subscription liability are measured at amortized cost.

Derecognition

A financial liability is derecognized when the obligation under the liability is discharged, cancelled or expires with any associated gain or loss recognized in other income or expense in the statements of loss.

Fair value hierarchy

The Company classifies its financial instruments measured at fair value according to a three-level hierarchy that reflects the significance of the inputs used in making the fair value measurements. The three levels of fair value hierarchy are as follows:

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

2. Significant accounting policies (continued)

Income taxes

Income taxes on the profit or loss for the periods presented comprises current and deferred tax.

Current tax expense is the expected tax payable on the taxable income for the period, using tax rates enacted or substantively enacted at the end of the reporting period, adjusted for amendments to tax payable with regards to previous reporting periods.

Deferred tax is recorded using the asset and liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The following temporary differences are not provided for: goodwill not deductible for tax purposes; the initial recognition of assets or liabilities that affect neither accounting or taxable loss to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the end of the reporting period.

A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized. Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset tax assets against tax liabilities, when they relate to income taxes levied by the same taxation authority and the Company intends to settle its tax assets and liabilities on a net basis.

Provisions

Provisions are recognized when the Company has a present obligation (legal or constructive) that has arisen as a result of a past event and it is probable that a future outflow of resources will be required to settle the obligation, provided that a reliable estimate can be made of the amount of the obligation.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risk specific to the obligation.

Significant accounting estimates and judgments

The preparation of these financial statements requires management to make judgments and estimates that affect the reported amounts of assets and liabilities at the date of the financial statements and reported amounts of expenses during the reporting period. Actual outcomes could differ from these judgments and estimates. The financial statements include judgments and estimates which, by their nature, are uncertain. The impacts of such judgments and estimates are pervasive throughout the financial statements and may require accounting adjustments based on future occurrences. Revisions to accounting estimates are recognized in the period in which the estimate is revised and in future periods when the revision affects both current and future periods.

(Expressed in Canadian Dollars)

2. Significant accounting policies (continued)

Significant accounting estimates and judgments (continued)

<u>Income, value added, withholding and other taxes</u>

The Company is subject to income, value added, withholding and other taxes. Significant judgment is required in determining the Company's provisions for taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Company recognizes liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. The determination of the Company's income, value added, withholding and other tax liabilities requires interpretation of complex laws and regulations. The Company's interpretation of taxation law as applied to transactions and activities may not coincide with the interpretation of the tax authorities. All tax related filings are subject to government audit and potential reassessment subsequent to the financial statement reporting period. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the tax related accruals and deferred income tax provisions in the period in which such determination is made.

Recent accounting pronouncements

Certain pronouncements were issued by the IASB or the IFRIC that are mandatory for accounting periods commencing on or after January 1, 2024. Many are not applicable or do not have a significant impact to the Company and have been excluded. The Company is currently evaluating the impact of these new pronouncements.

IFRS 10 – Consolidated Financial Statements ("IFRS 10") and IAS 28 – Investments in Associates and Joint Ventures ("IAS 28") were amended in September 2014 to address a conflict between the requirements of IAS 28 and IFRS 10 and clarify that in a transaction involving an associate or joint venture, the extent of gain or loss recognition depends on whether the assets sold or contributed constitute a business. The effective date of these amendments is yet to be determined, however early adoption is permitted.

3. Share capital

Authorized share capital

An unlimited number of common shares without par value, voting and participating

Issued

	Number of shares	Share capital
Balance, December 31, 2021, December 31, 2022 and December 31, 2023	10	$ 10

4. Related party transactions

The Company did not have any related party transactions during the year ended December 31, 2023 and 2022.

Refer to note 10 for details of funds advanced to Nord.

(Expressed in Canadian Dollars)

5. Income taxes

Current income tax

The reconciliation of the combined Canadian federal and provincial statutory income tax rate of 26.5% on the net income for the years ended December 31 is as follows:

	Year Ended December 31, 2023	Year Ended December 31, 2022
Income before income taxes	**$ (129,032)**	$ -
Expected income tax recovery based on statutory rate	**(34,000)**	-
Adjustments to expected income tax benefit:		
Tax benefits not recognized	**34,000**	-
Income tax provision	**$ -**	$ -

Deferred income tax

Deferred taxes are a result of temporary differences that arise due to the differences between the income tax values and the carrying amount of assets and liabilities.

Deferred income tax assets have not been recognized in respect of the following deductible temporary differences because it is not probable that future taxable profit will be available against which the Company can use the benefits:

	2023	2022
Non-capital loss carry-forwards	**$ 129,000**	$ -

As at December 31, 2023, the Company has unclaimed non-capital losses of $129,032 that expire in 2043.

6. Capital risk management

The Company considers its capital structure to consist of share capital and retained earnings. The Company manages its capital structure and makes adjustments to it, based on the funds available to the Company, in order to support its development and operating activities.

The Company’s objective when managing capital is to safeguard its ability to continue as a going concern in order to pursue the exploration of its mineral properties. The Company satisfies its capital requirements through careful management of its cash resources.

Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable. There were no changes in the Company's approach to capital management during the years ended December 31, 2023 and 2022.

7. Financial instruments and risk factors

The Company is exposed in varying degrees to a variety of financial instrument related risks. The Board of Directors approves and monitors the risk management processes, inclusive of documented investment policies, counterparty limits, and controlling and reporting structures. The type of risk exposure and the way in which such exposure is managed is provided as follows:

Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Company is not exposed to significant credit risk.

Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in satisfying financial obligations as they become due. The Company manages its liquidity risk by forecasting cash flows from operations and anticipated investing and financing activities. The Company's objective in managing liquidity risk is to maintain sufficient readily available reserves in order to meet its liquidity requirements.

Market risk

Market risk is the risk of loss that may arise from changes in market factors such as interest rates and foreign exchange rates.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market interest rates. The Company manages interest rate risk by maintaining an investment policy that focuses primarily on preservation of capital and liquidity. There were no changes in the Company's approach to risk management during the reporting period.

Currency risk

Foreign currency risk is the risk that the fair values or future cash flows of a financial instrument will fluctuate as they are denominated in currencies that differ from the respective functional currency. The Company is not exposed to significant foreign currency risk.

8. Commitments and contingencies

Environmental contingencies

The Company's exploration activities are subject to various laws and regulations governing the protection of the environment. These laws and regulations are continually changing and generally becoming more restrictive. The Company has made, and expects to make in the future, expenditures to comply with such laws and regulations.

Contracts

The Company entered into certain consulting contracts during the year ended December 31, 2023, for which the minimum annual commitment was estimated to be $200,000.

9. Plan of arrangement

On September 25, 2023, the Company and Nord entered into an arrangement agreement pursuant to which Nord will transfer the Graal Property (the "Project") to the Company in exchange for 24,000,000 common shares and 12,000,000 warrants of the Company, by way of plan of arrangement under the *Canada Business Corporations Act* (the "Arrangement"). Each whole warrant will entitle its holder to purchase one additional common share of the Company at a price of $0.40 for 2 years from the respective dates of distribution to the shareholders of Nord.

The Arrangement was completed in 2024.

10. Subsequent events

In January 2024, the Company issued an aggregate of 1,500,000 shares at a price of $0.005 per share to its directors, officers and others for gross proceeds of $7,500.

In January 2024, the Company issued an aggregate of 1,500,000 shares at a price of $0.02 per share to its directors, officers and others for gross proceeds of $30,000.

In February 2024, the Company completed a private placement of 3,250,000 units at a price of $0.25 per unit, for gross proceeds of $812,500. Each unit consisted of one common share and one warrant. Each warrant entitles its holder to purchase one additional common share of the Company at a price of $0.40 for 2 years. Directors, officers and their relatives subscribed for 1,732,000 shares for gross proceeds of $433,000. Of the total proceeds, $389,260 was collected by December 31, 2023 and is presented as restricted cash and share subscription liability in the statement of financial position.

On March 18, 2024, the Company's common shares began trading on the TSX Venture Exchange under the symbol "COS".

Subsequent to December 31, 2023, the Company paid a drilling deposit of $150,000 to a company in which a director of the Company is a co-owner.

Subsequent to December 31, 2023, the Company advanced a total of $84,176 to Nord. The advance is unsecured, non-interest bearing with no fixed terms of repayment.