



Aldebaran Resources Inc.

(the “Company”)

INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2023

(Expressed in Canadian Dollars)

(Unaudited – Prepared by Management)

NOTICE OF NO AUDITOR REVIEW OF INTERIM FINANCIAL STATEMENTS

Under National Instrument 51-102, Part 4, subsection 4.3(3) (a), if an auditor has not performed a review of the interim condensed consolidated financial statements, they must be accompanied by a notice indicating that the financial statements have not been reviewed by an auditor.

The accompanying unaudited interim condensed consolidated financial statements of the Company have been prepared by and are the responsibility of the Company's management.

The Company's independent auditor has not performed a review of these interim condensed consolidated financial statements in accordance with standards established by the Chartered Professional Accountants of Canada for a review of interim financial statements by an entity's auditor.

Aldebaran Resources Inc.
Interim Condensed Consolidated Statements of Financial Position
(Unaudited – Prepared by Management)
(Expressed in Canadian dollars)

	September 30, 2023	June 30, 2023
Assets		
Current Assets		
Cash and cash equivalents	\$ 24,631,690	\$ 6,095,443
Receivables (Note 7)	15,175	21,557
Prepaid expenses	148,573	97,121
Marketable securities	61,125	54,961
	<u>24,856,563</u>	<u>6,269,082</u>
Exploration and evaluation assets (Note 4)	137,903,859	94,789,908
Right of use asset	<u>3,873</u>	<u>4,926</u>
Total Assets	\$ 162,764,295	\$ 101,063,916
Liabilities and Shareholders' Equity		
Current Liabilities		
Accounts payable and accrued liabilities (Note 6)	\$ 407,480	\$ 57,695
Due to related parties (Note 6)	8,042	5,348
	<u>415,522</u>	<u>63,043</u>
Non-Current Liabilities		
Decommissioning liability	435,981	435,564
Deferred tax liability	322,000	322,000
	<u>1,173,503</u>	<u>820,607</u>
Shareholders' Equity		
Share capital (Note 5)	124,007,467	103,936,328
Reserves (Note 5)	4,072,636	3,773,333
Accumulated other comprehensive loss	1,274,559	(134,975)
Deficit	(11,075,086)	(7,331,377)
Equity attributable to shareholders	<u>118,279,576</u>	<u>100,243,309</u>
Non-controlling interest (Note 4)	43,311,216	-
	<u>161,590,792</u>	<u>100,243,309</u>
Total Liabilities and Shareholders' Equity	\$ 162,764,295	\$ 101,063,916

Nature and continuance of operations (Note 1)

Approved by the Board of Directors:

"John Black"

Director

"Mark Wayne"

Director

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

Aldebaran Resources Inc.
Interim Condensed Consolidated Statements of Operations and Comprehensive Income (Loss)
(Unaudited – Prepared by Management)
(Expressed in Canadian dollars)

	Three months ended September 30, 2023	Three months ended September 30, 2022
EXPENSES		
Accounting and audit	\$ 24,062	\$ 30,097
Accretion and amortization	1,176	1,278
Consulting	19,007	15,105
Insurance	14,539	14,706
Interest and bank charges	7,136	7,250
Investor relations	155,592	58,204
Legal	11,647	898
Management fees (Note 6)	94,348	93,072
Office and administration (Note 6)	122,961	61,106
Share-based compensation (Notes 5, 6)	299,303	24,676
Transfer agent and filing fees	11,328	10,795
Travel	1,428	545
Wages and benefits	13,241	9,458
	<u>(775,768)</u>	<u>(327,190)</u>
OTHER ITEMS		
(Loss) gain on foreign exchange	91,731	(175,970)
Loss on disposal of marketable securities	(1,416)	(7,133)
Interest income	78,491	46,783
Write-down of VAT receivable (Note 7)	<u>(5,312,353)</u>	<u>(3,732)</u>
Loss for the period	\$ (5,919,315)	\$ (467,242)
Items that will not be reclassified subsequently to profit and loss:		
Translation adjustment	1,409,534	1,420,770
Comprehensive income for the period	\$ (4,509,781)	\$ 953,528
Net loss and comprehensive loss attributed to:		
Shareholders of the Company	\$ (3,743,709)	\$ (467,242)
Non-controlling interest	(2,175,606)	-
	<u>\$ (5,919,315)</u>	<u>\$ (467,242)</u>
Basic and diluted loss per common share	\$ (0.04)	\$ (0.00)
Weighted average number of common shares outstanding – basic and diluted	149,401,775	129,780,703

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

Aldebaran Resources Inc.
Interim Condensed Consolidated Statements of Shareholders' Equity
(Unaudited – Prepared by Management)
(Expressed in Canadian dollars)

	Number of Shares	Share Capital	Reserves	Accumulated Other Comprehensive Loss (Translation Adjustment)	Non- controlling interest	Deficit	Total
Balance, June 30, 2022	119,850,790	\$ 82,610,667	\$ 2,451,020	\$ (1,575,132)	\$ -	\$ (4,959,291)	\$ 78,527,264
Shares issued for cash	18,500,000	14,430,000	-	-	-	-	14,430,000
Share issuance costs	-	(66,522)	-	-	-	-	(66,522)
Exercise of warrants	225,000	157,500	-	-	-	-	157,500
Exercise of broker's warrants	3,000	2,100	-	-	-	-	2,100
Fair value of broker's warrants	-	521	(521)	-	-	-	-
Share-based compensation	-	-	24,676	-	-	-	24,676
Foreign exchange adjustment	-	-	-	1,420,770	-	-	1,420,770
Loss for the period	-	-	-	-	-	(467,242)	(467,242)
Balance, September 30, 2022	138,578,790	\$ 97,134,266	\$ 2,475,175	\$ (154,362)	\$ -	\$ (5,426,533)	\$ 94,028,546
Balance, June 30, 2023	148,228,364	\$ 103,936,328	\$ 3,773,333	\$ (134,975)	\$ -	\$ (7,331,377)	\$ 100,243,309
Shares issued for cash	21,590,756	20,108,604	-	-	-	-	20,108,604
Share issuance costs	-	(37,465)	-	-	-	-	(37,465)
Share-based compensation	-	-	299,303	-	-	-	299,303
Foreign exchange adjustment	-	-	-	1,409,534	-	-	1,409,534
Non-controlling interest	-	-	-	-	45,486,822	-	45,486,822
Loss for the period	-	-	-	-	(2,175,606)	(3,743,709)	(5,919,315)
Balance, September 30, 2023	169,819,120	\$ 124,007,467	\$ 4,072,636	\$ 1,274,559	\$ 43,311,216	\$ (11,075,086)	\$ 161,590,792

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

Aldebaran Resources Inc.
Interim Condensed Consolidated Statements of Cash Flows
(Unaudited – Prepared by Management)
(Expressed in Canadian dollars)

	Three months ended September 30, 2023	Three months ended September 30, 2022
Cash Flows from Operating Activities		
Loss for the period	\$ (5,919,315)	\$ (467,242)
Items not affecting cash:		
Accretion and amortization	1,176	1,278
Share-based compensation	299,303	24,676
Foreign exchange on marketable securities	(112,343)	(70,963)
Loss on disposal of marketable securities	1,416	7,133
Write-down of VAT receivable	5,312,353	3,732
Changes in non-cash working capital items:		
Receivables	657,462	(9,294)
Prepaid expenses	(6,308)	(28,212)
Accounts payable and accrued liabilities	(9,190)	(60,225)
Due to related parties	2,694	(41,321)
Net cash provided by (used in) operating activities	<u>227,248</u>	<u>(640,438)</u>
Cash Flows from Financing Activities		
Proceeds from issuance of shares	20,108,604	14,430,000
Proceeds from exercise of warrants	-	159,600
Share issuance costs	(37,465)	(66,522)
Net cash provided by financing activities	<u>20,071,139</u>	<u>14,523,078</u>
Cash Flows from Investing Activities		
Exploration and evaluation asset expenditures, net of recoveries	(2,030,507)	(3,440,201)
Net cash received from purchase and sale of marketable securities	104,763	92,863
Cash acquired on acquisition of Peregrine Metals Ltd.	193,366	-
Net cash used in investing activities	<u>(1,732,378)</u>	<u>(3,347,338)</u>
Effect of foreign exchange on cash and cash equivalents	<u>(29,762)</u>	<u>432,119</u>
Change in cash and cash equivalents for the period	18,536,247	10,967,421
Cash and cash equivalents, beginning of the period	<u>6,095,443</u>	<u>634,944</u>
Cash and cash equivalents, end of the period	<u>\$ 24,631,690</u>	<u>\$ 11,602,365</u>

Supplemental disclosures with respect to cash flows (Note 9)

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

Aldebaran Resources Inc.
Notes to the Interim Condensed Consolidated Financial Statements
(Unaudited – Prepared by Management)
(Expressed in Canadian Dollars)
For the three months ended September 30, 2023

1. NATURE AND CONTINUANCE OF OPERATIONS

Aldebaran Resources Inc. (“Aldebaran” or the “Company”) was incorporated on June 7, 2018 under the *Business Corporations Act* (Alberta) as part of a plan of arrangement to reorganize Regulus Resources Inc. (“Regulus”). The Company’s business activity is the acquisition and exploration of exploration and evaluation properties. The Company’s head office is located at Suite 2710 – 200 Granville Street, Vancouver, BC V6C 1S4. The Company’s registered office is located at 15th Floor, Bankers Court, 850 – 2nd Street SW, Calgary, Alberta T2P 0R8.

During the period ended September 30, 2023, the Company earned a 60% interest in the Altar Project and is proceeding with an option to earn an additional 20% interest in the Altar Project. The Company also holds a 100% interest in the Rio Grande project and several other earlier stage projects, all located in Argentina.

The Company has no source of operating cash flows and as such the Company’s ability to continue as a going concern is contingent on its ability to monetize assets or obtain additional financing. There can be no assurance that the Company will be able to obtain adequate financing or that the terms of such financing will be favourable. As a result, there is increased uncertainty and economic risks of failure associated with the Company’s exploration activities.

As at September 30, 2023, the Company had working capital of \$24,441,041. During the period ended September 30, 2023, the Company closed a non-brokered private placement for total gross proceeds of \$19,228,604. The Company issued 8,528,756 common shares at \$1.01 per common share and 1,962,000 common shares at \$0.88 per common share to a wholly owned subsidiary of South32 Ltd. The Company issued a total of 10,100,000 common shares at \$0.88 per common share to Route One Investment Company LLC and to management of the Company. The Company also closed a concurrent non-brokered private placement financing of 1,000,000 common shares at a price of \$0.88 per common share for total gross proceeds of \$880,000. Accordingly, management believes the Company has adequate capital to sustain operations for the coming 12 months.

These interim condensed consolidated financial statements were authorized by the board of directors of the Company on November 29, 2023.

2. BASIS OF PREPARATION

Statement of compliance to International Financial Reporting Standards

These interim condensed consolidated financial statements have been prepared in accordance with International Accounting Standards (“IAS”) 34, Interim Financial Reporting. Accordingly, these interim condensed consolidated financial statements do not include all of the information and footnotes required by IFRS for complete financial statements for year-end reporting process. These interim condensed consolidated financial statements should be read in conjunction with the Company’s annual financial statements for the year ended June 30, 2023.

These interim condensed consolidated financial statements of the Company have been prepared on an accrual basis and are based on historical costs, modified where applicable, except for financial instruments at fair value through profit and loss. The interim condensed consolidated financial statements are presented in Canadian dollars unless otherwise noted. The preparation of these interim condensed consolidated financial statements requires management to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported expenses during the period. Actual results could differ from these estimates.

Judgments

In the process of applying the Company’s accounting policies, management has made the following judgments which have the most significant effect on the amounts recognized in the interim condensed consolidated financial statements:

Functional currencies

The functional currency of an entity is the currency of the primary economic environment in which the entity operates. The functional currency of the Company and its subsidiaries was determined by conducting an analysis of the consideration factors identified in IAS 21, the Effects of Changes in Foreign Exchange Rates. The functional currency of each entity is disclosed below under “Foreign Exchange”.

Aldebaran Resources Inc.
Notes to the Interim Condensed Consolidated Financial Statements
(Unaudited – Prepared by Management)
(Expressed in Canadian Dollars)
For the three months ended September 30, 2023

2. BASIS OF PREPARATION (cont'd...)

Asset Acquisitions

The determination of whether a set of assets acquired and liabilities assumed constitute a business may require the Company to make certain judgments, taking into account all facts and circumstances. A business is presumed to be an integrated set of activities and assets capable of being conducted and managed for the purpose of providing a return in the form of dividends, lower costs or economic benefits. The joint venture and option agreement to acquire up to an 80% interest in Peregrine Metals Ltd. is determined to constitute an acquisition of assets (Note 4).

Impairment of exploration and evaluation assets

Determining if there are any facts and circumstances indicating impairment loss or reversal of impairment losses is a subjective process involving judgment and a number of estimates and interpretations. Determining whether to test for impairment of exploration and evaluation assets requires management's judgment, and consideration of whether the period for which the Company has the right to explore in the specific area has expired or will expire in the near future, and is not expected to be renewed; substantive expenditure on further exploration and evaluation of mineral resources in a specific area is neither budgeted nor planned; exploration for and evaluation of mineral resources in a specific area have not led to the discovery of commercially viable quantities of mineral resources and the Company has decided to discontinue such activities in the specific area; or sufficient data exists to indicate that, although a development in a specific area is likely to proceed, the carrying amount of the exploration and evaluation asset is unlikely to be recovered in full from successful development or by sale.

Estimates

Significant estimates, made by management, about the future and other sources of estimation uncertainty at the end of the reporting period that could result in a material adjustment to the carrying amounts of assets and liabilities in the event that actual results differ from assumptions made relate to, but are not limited to, the following:

Carrying value and recoverability of exploration and evaluation assets

The carrying amount of Company's exploration and evaluation assets does not necessarily represent present or future values and the Company's exploration and evaluation assets have been accounted for under the assumption that the carrying amount will be recoverable. Recoverability is dependent on various factors, including the discovery of economically recoverable reserves, the ability of the Company to obtain the necessary financing to complete the development and upon future profitable production or disposition of the mineral properties. Additionally, there are numerous geological, economic, environmental and regulatory factors and uncertainties that could affect management's assessment of the overall viability of its properties or to the likelihood of generating future cash flows necessary to recover the carrying value of the Company's exploration and evaluation assets.

To the extent that any of management's assumptions change there could be a significant effect on the Company's future financial position, operating results and cash flows.

Fair value of stock options and warrants

Determining the fair value of warrants and stock options requires judgments related to the choice of a pricing model, the estimation of stock price volatility, the expected forfeiture rate and the expected term of the underlying instruments. Any changes in the estimates or inputs utilized to determine fair value could result in a significant effect on the Company's future operating results or on other components of shareholders' equity.

Income taxes

The estimation of income taxes includes evaluating the recoverability of deferred tax assets based on an assessment of the Company's ability to utilize the underlying future tax deductions against future taxable income prior to expiry of those deductions. Management assesses whether it is probable that some or all of the deferred income tax assets will be realized. The ultimate realization of deferred tax assets is dependent upon the generation of future taxable income, which in turn is dependent upon the successful discovery, extraction, development or commercialization of mineral reserves. To the extent that management's assessment of the Company's ability to utilize future tax deductions changes, the Company would be required to recognize more or fewer deferred tax assets and deferred income tax provisions or recoveries could be affected.

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Notes to the Interim Condensed Consolidated Financial Statements
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2. BASIS OF PREPARATION (cont'd...)

Decommissioning costs

Upon retirement of the Company's exploration and evaluation assets, decommissioning costs will be incurred by the Company. Estimates of these costs are subject to uncertainty associated with the method, timing and extent of future decommissioning activities. The liability, the related asset and the corresponding expense are affected by estimates with respect to the costs and timing of decommissioning.

Measurement of non-cash transactions

The Company applies significant estimates and judgments in determining the measurement of non-cash transactions, most significantly in relation to transactions settled in equity. Management uses judgment to determine whether goods or services acquired can be reliably valued, and if not, measures the transaction with reference to the fair value of the equity issued. Determining the fair value of equity can involve significant estimation to determine the appropriate share price.

Basis of consolidation

These interim condensed consolidated financial statements include the financial statements of the Company and the entities controlled by the Company (Note 6). Control exists when the Company has the power, directly or indirectly, to govern the financial and operating policies of an entity so as to obtain benefits from its activities. The financial statements of subsidiaries are included in interim condensed consolidated financial statements from the date that control commences until the date that control ceases. All intercompany transactions and balances have been eliminated.

Foreign exchange

The functional currency is the currency of the primary economic environment in which the entity operates and is determined for each entity within the Company. The functional currency for the entities within the Company are: the Canadian dollar (the Company) and the United States Dollar ("USD") (Peregrine Metals Ltd., Minera Peregrine Argentina S.A., Minera Peregrine Chile S.P.A., Aldebaran Argentina S.A. and Minera El Toro S.A).

The functional currency determinations were conducted through an analysis of the consideration factors identified in IAS 21, *The Effects of Changes in Foreign Exchange Rates*.

Transactions in currencies other than the entities' functional currency are recorded at exchange rates prevailing on the dates of the transactions. At the end of each reporting period, monetary assets and liabilities of an entity that are denominated in foreign currencies are translated at the rate of exchange at the consolidated statement of financial position date while non-monetary assets and liabilities are translated at historical rates. Revenues and expenses are translated at the exchange rates approximating those in effect on the date of the transactions. Exchange gains and losses arising on translation are included in the consolidated statements of profit or loss.

3. MATERIAL ACCOUNTING POLICIES

The preparation of financial data is based on accounting principles and practices consistent with those used in the preparation of the audited annual consolidated financial statements as at June 30, 2023. These unaudited interim condensed consolidated financial statements should be read in conjunction with the Company's audited consolidated financial statements for the year ended June 30, 2023.

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4. EXPLORATION AND EVALUATION ASSETS

Title to exploration and evaluation assets involves certain inherent risks due to the difficulties of determining the validity of certain claims as well as the potential for problems arising from the frequently ambiguous conveyancing history characteristic of many mining properties. The Company has investigated title to its exploration and evaluation assets and, to the best of its knowledge, title to its property is in good standing.

The exploration and evaluation assets in which the Company has an interest are located in Argentina and the Company is therefore relying on title opinions by legal counsel who are basing such opinions on the laws of Argentina.

In situations where the legal rights to explore a property are obtained through an option agreement (as in the case of Altar, discussed further below), as opposed to title held under the Company's name, to the best of the Company's knowledge those agreements are in good standing and the Company is complying with its commitments, unless otherwise disclosed.

	Altar, Argentina	Rio Grande, Argentina	Other Properties, Argentina	Total
Balance, June 30, 2022	\$ 59,021,719	\$ 9,885,058	\$ 9,912,879	\$ 78,819,656
Additions:				
Acquisition	40,164	-	-	40,164
Option payment received	-	-	(336,268)	(336,268)
Deferred exploration costs:				
Administrative services	59,983	3,429	-	63,412
Change in ARO estimate	-	69,966	30,821	100,787
Consulting	465,410	-	102,860	568,270
Environmental engineering	106,046	-	-	106,046
Field operations	13,405,560	307	-	13,405,867
Geology	-	-	3,504	3,504
Labour	456,841	16,551	4,975	478,367
Mapping	21,463	-	-	21,463
Taxes and licenses	-	2,204	42,843	45,047
Travel and accommodation	15,737	2,318	15,825	33,880
	14,571,204	94,775	(135,440)	14,530,539
Foreign exchange movement	1,393,423	24,494	21,796	1,439,713
Balance, June 30, 2023	\$ 74,986,346	\$ 10,004,327	\$ 9,799,235	\$ 94,789,908
Additions:				
Acquisition of 60% of Altar	107,843,037	-	-	107,843,037
Less: consideration paid for Altar	(68,230,233)	-	-	(68,230,233)
Deferred exploration costs:				
Administrative services	14,054	544	-	14,598
Consulting	114,928	-	12,450	127,378
Field operations	1,774,739	1,290	-	1,776,029
Labour	107,162	962	686	108,810
Taxes and licenses	-	-	1,313	1,313
Travel and accommodation	-	-	4,292	4,292
	41,623,687	2,796	18,741	41,645,224
Foreign exchange movement	1,421,967	24,594	22,166	1,468,727
Balance, September 30, 2023	\$ 118,032,000	\$ 10,031,717	\$ 9,840,142	\$ 137,903,859

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4. EXPLORATION AND EVALUATION ASSETS (cont'd...)

Altar, Argentina

During the year ended June 30, 2019, the Company entered into a joint venture and option agreement (the "Altar JV Agreement") with Sibanye Stillwater Limited ("Sibanye-Stillwater"), to acquire up to an 80% interest in Peregrine Metals Ltd. ("Peregrine"), a wholly-owned subsidiary of Sibanye-Stillwater, that owns the Altar copper-gold project in San Juan Province, Argentina ("Altar" or the "Altar Project"). The Altar Project consists of nine mining concessions and nine servidumbres (mining rights of way, occupation and camp encumbrances) (the "Altar Concessions"). It also includes an option on five adjacent Rio Cenicero concessions (the "Rio Cenicero Concessions").

The consideration to acquire an initial 60% interest comprises:

- (a) an upfront cash payment of US\$15,000,000 (\$19,588,500) to Sibanye-Stillwater upon closing of the Arrangement (paid);
- (b) the issuance of 19.9% of the Aldebaran Shares (15,449,555 common shares with a fair value of \$9,269,733) to Sibanye-Stillwater upon closing of the Arrangement (issued); and
- (c) Aldebaran's commitment to fund the next US\$30 million of expenditures on the Altar Project over five (5) years, inclusive of Peregrine's 2018 drilling that was conducted between February and May of 2018, with a minimum of US\$3 million each year (completed).

A 1% net smelter return royalty on the Altar mining concessions known as Leona, Loba, Santa Rita, RCA VII, RCA II and Pampa is payable to Osisko Gold Royalties with no buy-out provision. There is also a 1% net smelter return royalty held by the original underlying concession owners on the Altar Concessions known as Loba, Santa Rita, RCA II and RCA VII (the "Other Royalty"). Annual payments of US\$80,000 are due to the holders of the Other Royalty when commercial production commences. The annual payments are in addition to, and not an advance on, the Other Royalty.

During the period ended September 30, 2023, the Company completed the US\$30,000,000 in expenditures required to earn a 60% interest in the Altar Project. Additionally, the Company has notified Sibanye-Stillwater that it intends to proceed with the second option to spend US\$25,000,000 over a three-year period to acquire an additional 20% interest in the Altar project. Upon completion of the second option, Aldebaran will own an 80% interest in the Altar project while Sibanye-Stillwater will own a 20% interest.

The acquisition of the 60% interest in the Altar Project was treated as an asset acquisition. The fair value of the assets acquired and liabilities assumed as at date of acquisition were as follows:

Consideration

Cash payment of US\$15,000,000	\$ 19,588,500
Value of 15,449,555 common shares issued	9,269,733
Expenditures of US\$30,000,000	39,372,000
Total consideration value:	\$ 68,230,233

Net assets acquired

Cash	\$ 193,366
Prepays	45,144
VAT receivable	5,963,433
Exploration and evaluation assets	107,843,037
Accounts payable	(327,925)
Net assets acquired:	113,717,055
Non-controlling interest	(45,486,822)
	\$ 68,230,233

4. EXPLORATION AND EVALUATION ASSETS (cont'd...)

Rio Grande, Argentina

The Company holds a 100% interest in the Rio Grande property in Salta Province, Argentina.

Other Properties, Argentina

In addition to the Altar and Rio Grande properties, the Company holds a 100% interest in the Aguas Calientes, El Camino, Catua, Oscuro and La Frontera properties in Argentina.

During the year ended June 30, 2022, the Company optioned the El Camino II claim, part of the El Camino property, for total consideration of US\$1,200,000 to be paid over a two-year period, a 1% NSR on the property and a conditional US\$1,000,000 payment. The optionor has the right to earn a 100% interest in the El Camino II claim by completing the following cash payments to the Company: USD \$75,000 upon signing (received), USD \$100,000 on the six-month anniversary of signing (received), USD \$150,000 on the 12-month anniversary of signing (received), USD \$350,000 on the 18-month anniversary of signing (received subsequent to September 30, 2023) and USD \$525,000 on the 24-month anniversary of signing. Upon completing the cash payments, the optionor will grant the Company a 1% NSR over all precious and base metals on the El Camino II claim, and if the optionor includes the El Camino II claim in a feasibility study (either by itself or incorporating nearby claims) resulting in a construction decision, the optionor will make a USD \$1,000,000 payment to the Company.

The Company received \$nil (year ended June 30, 2023 - \$336,268).

5. SHARE CAPITAL AND RESERVES

Authorized: unlimited common shares without par value. All issued shares are fully paid.

During the period ended September 30, 2023, the Company closed a non-brokered private placement for total gross proceeds of \$19,228,604 by issuing 8,528,756 common shares at \$1.01 per common share and 1,962,000 common shares at \$0.88 per common share to a wholly owned subsidiary of South32 Ltd, and a total of 10,100,000 common shares at \$0.88 per common share to Route One Investment Company LLC and to management of the Company. The Company also closed a concurrent non-brokered private placement financing of 1,000,000 common shares at a price of \$0.88 per common share for proceeds of \$880,000. The Company paid cash share issuance costs of \$37,465 in relation to the financing.

During the year ended June 30, 2023, the Company closed a financing of 18,500,000 common shares at \$0.78 per share for total gross proceeds of \$14,430,000. The Company paid cash share issuance costs of \$66,522 in relation to the financing.

During the year ended June 30, 2023, the Company closed a financing of 970,000 common shares at \$0.73 per share for total gross proceeds of \$708,100. The Company paid cash share issuance costs of \$3,717 in relation to the financing.

During the year ended June 30, 2023, the Company issued 50,000 shares pursuant to the exercise of options at an exercise price of \$0.75 and 75,000 shares pursuant to the exercise of options at an exercise price of \$0.40 for total gross proceeds of \$67,500. The Company reallocated the fair value of \$41,977 from reserves to share capital with respect to the exercise of these options.

During the year ended June 30, 2023, the Company issued 8,782,574 shares pursuant to the exercise of warrants at an exercise price of \$0.70 for gross proceeds of \$6,147,802. The Company reallocated the fair value of \$521 from reserves to share capital for the portion relating to the exercise of broker's warrants.

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5. SHARE CAPITAL AND RESERVES (cont'd...)

Stock Options

The Company has a stock option plan (“the Plan”) for directors, officers, employees and consultants of the Company and its subsidiaries. The number of common shares subject to the stock options granted under the Plan is limited to 10% of the issued and outstanding common shares of the Company. The Plan provides for a maximum term of five years for stock options and the Options shall not vest on more favourable terms than one-third of the total number of Options granted on the date of grant and on each of the first and second anniversaries of the date of grant. The Company may, in its sole discretion, accelerate the vesting of Options following their initial grant.

During the year ended June 30, 2023, the Company granted incentive stock options to directors, officers, employees and consultants to purchase up to 100,000 common shares at a price of \$0.78 and 4,655,000 common shares at a price of \$0.79 per share for five years, pursuant to its stock option plan. These stock options vest over a two-year period.

The following table summarizes movements in stock options outstanding:

	Number of Options	Weighted Average Exercise Price
Balance – June 30, 2022	7,520,000	\$ 0.88
Granted	4,755,000	0.79
Exercised	(125,000)	0.54
Balance – June 30, 2023	12,150,000	\$ 0.85
Expired	(300,000)	0.40
Balance – September 30, 2023	11,850,000	\$ 0.86
Exercisable –September 30, 2023	8,308,750	\$ 0.89

Additional information regarding stock options outstanding as at September 30, 2023 is as follows:

Number of Options	Exercise Price (\$)	Expiry Date
3,400,000	1.25	June 3, 2024
1,570,000	0.75	June 3, 2024
200,000	1.25	July 15, 2024
1,925,000	0.40	August 28, 2025
100,000	0.78	July 22, 2027
4,655,000	0.79	November 1, 2027
11,850,000		

The following weighted average assumptions were used for the Black-Scholes valuation of stock options granted:

	Period ended September 30, 2023	Year ended June 30, 2023
Risk-free interest rate	-	3.42%
Expected life of grant	-	5 years
Volatility	-	67.81%
Dividend	-	0%
Weighted average fair value per option	-	\$0.47

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5. SHARE CAPITAL AND RESERVES (cont'd...)

Share-based compensation

The Company recognizes compensation expense for all stock options and warrants granted and vested using the fair value based method of accounting.

During the period ended September 30, 2023, the Company recognized \$299,303 (2022 - \$24,676) in share-based compensation expense for options granted and vested.

Warrants

The following table summarizes movements in warrants outstanding:

	Number of Warrants	Weighted Average Exercise Price
Balance, June 30, 2022	13,367,328	\$ 0.70
Warrants exercised	(8,782,574)	0.70
Warrants expired	(4,584,754)	0.70
Balance, June 30, 2023 and September 30, 2023	-	\$ -

6. RELATED PARTY TRANSACTIONS

The interim condensed consolidated financial statements include the financial statements of the Company and its subsidiaries listed in the following table:

Name of Subsidiary	Country of Incorporation	Proportion of Ownership Interest	Principal Activity
Aldebaran Argentina S.A.	Argentina	100%	Mineral exploration
Minera El Toro S.A.	Argentina	100%	Mineral exploration
Peregrine Metals Ltd.	Canada	60%	Mineral exploration
Minera Peregrine Argentina S.A.	Argentina	60%	Mineral exploration
Minera Peregrine Chile S.P.A.	Chile	60%	Mineral exploration

During the period ended September 30, 2023, the Company entered into the following transactions with key management personnel and related parties:

- a) Double Black Diamond Resources LLC. (“DBD Resources”) is a private company controlled by Mr. John Black, CEO and a director of the Company. For the period ended September 30, 2023, DBD Resources was paid \$33,599 (2022 - \$33,032). Management services paid to DBD Resources are classified as management fees in the consolidated statements of profit or loss.
- b) Unicus Funds Ltd. (“Unicus”) is a private company controlled by Mr. Mark Wayne, CFO and a director of the Company. For the period ended September 30, 2023, Unicus was paid \$18,750 (2022 – \$18,750). Management services paid to Unicus are classified as management fees in the consolidated statements of profit or loss.
- c) K.B. Heather & Socios Limitada (The Rock Doctor Limitada) (“K.B. Heather”) is a private company controlled by Dr. Kevin B. Heather, CGO and a director of the Company. For the period ended September 30, 2023, K.B. Heather was paid \$41,999 (2022 – \$41,290). Management services paid to K.B. Heather are classified as management fees in the consolidated statements of profit or loss.
- d) At September 30, 2023, the Company owed \$8,042 (June 30, 2023 – \$5,348) of expenses to Regulus, a company with common directors and management.

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6. RELATED PARTY TRANSACTIONS (cont'd...)

- e) During the period ended September 30, 2023, the Company recognized a total of \$156,862 (2022 - \$7,098) of share-based compensation expense to related parties, which included vested options that had been issued in previous years.

Key Management Personnel:

Key management personnel include those persons having authority and responsibility for planning, directing and controlling the activities of the Company as a whole. The Company has determined that key management personnel consist of executive and non-executive members of the Company's Board of Directors and corporate officers.

The remuneration of directors and other members of key management personnel are as follows:

	Fees	Share-based Benefits	Total
Period ended September 30, 2023			
Chief Executive Officer	\$ 33,599	\$ 44,365	\$ 77,964
Chief Geological Officer	41,999	44,365	86,364
Chief Financial Officer	18,750	44,365	63,115
Non-executive directors	-	23,767	23,767
	\$ 94,348	\$ 156,862	\$ 251,210
Period ended September 30, 2022			
Chief Executive Officer	\$ 33,032	\$ 1,859	\$ 34,891
Chief Geological Officer	41,290	1,859	43,149
Chief Financial Officer	18,750	1,859	20,609
Non-executive directors	-	1,521	1,521
	\$ 93,072	\$ 7,098	\$ 100,170

7. FINANCIAL AND CAPITAL RISK MANAGEMENT

Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values. The three levels of the fair value hierarchy are:

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

The fair value of the Company's cash and cash equivalents, receivables, due to related parties, accounts payable and accrued liabilities, and due to related parties approximate their carrying value, which is the amount recorded on the consolidated statements of financial position. The Company's marketable securities, under the fair value hierarchy, are based on level 1 quoted prices in active markets for identical assets or liabilities.

The Company is exposed to varying degrees to a variety of financial instrument related risks:

Credit risk

Credit risk is the risk of an unexpected loss if a customer or third party to a financial instrument fails to meet its contractual obligations.

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7. FINANCIAL AND CAPITAL RISK MANAGEMENT (cont'd...)

The Company's cash is held at large Canadian financial institutions in interest-bearing accounts. The Company has no investment in asset backed commercial paper.

The Company's receivables consist of tax credits due from the government of Canada which the Company does not believe it is subject to significant credit risk. The tax credits related to Value Added Taxes ("VAT") in Argentina, for which recoverability is uncertain, are written down. If VAT is collected in the future it will be recorded as recoveries on the statement of operations.

Liquidity risk

The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. As at September 30, 2023, the Company had a cash balance of \$24,631,690 to settle current liabilities of \$415,522, resulting in working capital at September 30, 2023, of \$24,441,041. Management believes that the Company has sufficient capital to fund its planned activities for the next 12 months.

Market risk

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

a) Interest rate risk

The Company has cash balances. The interest earned on the cash balances approximates fair value rates, and the Company is not at a significant risk to fluctuating interest rates.

b) Foreign currency risk

The Company is exposed to foreign currency risk on fluctuations related to cash and cash equivalents, receivables and accounts payable and accrued liabilities that are denominated in US\$, A-Peso and C-Peso. A 10% fluctuation in the US\$ against A-Peso/C-Peso and US\$ against the Canadian dollar simultaneously, would affect profit and loss for the period by approximately \$916,000.

c) Price risk

The Company is exposed to price risk with respect to commodity and equity prices. Equity price risk is defined as the potential adverse impact on the Company's earnings due to movements in individual equity prices or general movements in the level of the stock market. Commodity price risk is defined as the potential adverse impact on earnings and economic value due to commodity price movements and volatilities. The Company's investment in marketable securities is classified as FVTPL and trades on the stock market. The Company closely monitors its marketable securities, stock market movements, commodity prices and individual equity movements to determine the appropriate course of action to be taken by the Company.

Capital management

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to pursue the exploration and development of its exploration and evaluation assets, acquire additional mineral property interests and to maintain a flexible capital structure which optimizes the costs of capital at an acceptable risk. In the management of capital, the Company includes components of shareholders' equity.

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

The Company currently is not subject to externally imposed capital requirements. There were no changes in the Company's approach to capital management.

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8. SEGMENTED INFORMATION

The Company operates in one reportable operating segment, being the acquisition and exploration of exploration and evaluation assets in Argentina. All capital assets and exploration and evaluation assets are located in Argentina.

Tax attributes are subject to review, and potential adjustment, by tax authorities.

9. SUPPLEMENTAL DISCLOSURES WITH RESPECT TO CASH FLOWS

During the period ended September 30, 2023, the Company:

- Accrued \$57,910 of exploration and evaluation assets through accounts payable and accrued liabilities.

During the period ended September 30, 2022, the Company:

- Accrued \$28,565 of exploration and evaluation assets through accounts payable and accrued liabilities.

For the period ended September 30	2023	2022
Cash paid for income taxes	\$ -	\$ -
Cash paid for interest	\$ -	\$ -
