EUROSUN MINING

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

FOR THE THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2023 AND 2022

(Expressed in United States Dollars)

(Unaudited)

NOTICE OF NO AUDITOR REVIEW OF

CONDENSED CONSOLIDATED 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 condensed consolidated interim financial statements, the financial statements must be accompanied by a notice indicating that the condensed consolidated interim financial statements have not been reviewed by an auditor.

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

The Company's independent auditor has not performed a review of these condensed consolidated interim 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.

EURO SUN MINING INC.

Condensed consolidated interim statements of financial position
(Expressed in United States dollars)

As at:		**September 30, 2023**		December 31, 2022
Assets				
Current assets				
Cash and cash equivalents	**$**	**1,463,894**	$	912,666
Restricted deposits		**18,491**		-
Prepaid expenses and sundry receivables		**617,477**		267,679
Total current assets	**$**	**2,099,862**	$	1,180,345
Non-current assets				
Property, plant and equipment (Note 3)		**287,215**		309,169
Total assets	**$**	**2,387,077**	$	1,489,514
Liabilities				
Current liabilities				
Trade and other payables (Note 4 and Note 8)	**$**	**2,804,673**	$	3,121,777
Deferred share unit liability (Note 5)		**19,416**		48,417
Convertible Security (Note 10)		**1,861,755**		2,492,978
Total liabilities	**$**	**4,685,844**	$	5,663,172
(Deficiency) equity attributable to shareholders				
Share capital (Note 6 (b))	**$**	**242,149,435**	$	239,495,678
Contributed surplus (Note 6 (c))		**1,156,011**		1,782,371
Warrants (Note 6 (d))		**1,736,455**		4,379,259
Accumulated deficit		**(247,508,186)**		(250,017,006)
Accumulated other comprehensive loss		**167,518**		186,040
Total shareholders' deficiency	**$**	**(2,298,767)**	$	(4,173,658)
Total liabilities and shareholders' deficiency	**$**	**2,387,077**	$	1,489,514

Nature of operations and going concern (Note 1)
Commitments and contingencies (Notes 7, 9 and 10)
Subsequent events (Note 11)

Approved by the Board of Directors on November 13, 2023:

"Grant Sboros", Director *"Deborah Battiston"*, Director

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

EURO SUN MINING INC.

Condensed consolidated interim statements of loss and comprehensive loss
(Expressed in United States dollars)

	Three months ended September 30, 2023	Three months ended September 30, 2022	**Nine months ended September 30, 2023**	Nine months ended September 30, 2022
Expenses				
Consulting and management fees (Note 8)	**$ 195,194**	246,500	**$ 535,160**	$ 751,696
Professional fees	**15,894**	43,365	**60,477**	194,344
General office expenses	**11,278**	13,669	**41,807**	49,743
Travel expenses	**13,954**	174	**66,833**	316
Shareholder communications and filing fees	**18,391**	11,387	**76,909**	95,261
Share-based compensation (Note 5, 6 (c) and 8)	**(289)**	(11,066)	**671,390**	101,751
Exploration and evaluation expenditures (Note 7)	**326,374**	875,225	**1,248,944**	2,950,883
Change in fair value of Convertible Security (Note 10)	**83,641**	(219,491)	**321,121**	(688,685)
Loss on foreign exchange	**(5,847)**	2,081	**31,631**	112,456
Interest income	**(196)**	(2)	**(2,279)**	(15)
Interest expense	**1,003**	93,122	**1,474**	200,231
Loss on asset disposal (Note 3)	**-**	-	**-**	179,583
Financing fees (Note 10)	**165,450**	690,287	**165,450**	1,658,593
Loss on Convertible Security (Note 10)	**61,791**	-	**184,796**	-
Royalty revenue	**(1,952,661)**	-	**(1,952,661)**	-
Net income (loss) for the period	**$ 1,066,023**	$ (1,745,251)	**$ (1,451,052)**	$ (5,606,157)
Other comprehensive (loss) income				
Items that will subsequently be reclassified to operations:				
Currency exchange translation adjustments	**93,643**	266,598	**(18,522)**	328,579
Other comprehensive income (loss) for the period	**$ 93,643**	$ 266,598	**$ (18,522)**	$ 328,579
Net comprehensive loss for the period	**$ 1,159,666**	$ (1,478,653)	**$ (1,469,574)**	$ (5,277,578)
Basic and diluted loss per share	**$ -**	$ (0.01)	**$ (0.01)**	$ (0.03)
Weighted average number of common shares outstanding - basic and diluted	**309,353,069**	182,451,621	**284,277,832**	178,257,754

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

EURO SUN MINING INC.

Condensed consolidated interim statements of changes in shareholders' deficiency
(Expressed in United States dollars)

	Share capital	Warrants	Contributed surplus	Accumulated deficit	Accumulated other comprehensive loss	Shareholders' deficiency
Balance, December 31, 2021	$ 236,340,375	$ 3,249,883	$ 1,506,187	$ (242,893,329)	$ (96,811)	$ (1,893,695)
DSUs and RSUs issued (Note 5)	-	-	512,703	-	-	512,703
Security conversion (Note 6 (b))	836,577	-	-	-	-	836,577
Share issuance costs (Note 6 (b))	(17,469)	-	-	-	-	(17,469)
Warrants issued (Note 6 (d))	-	1,465,333	-	-	-	1,465,333
Warrants expiry (Note 6 (d))	-	(335,957)	-	335,957	-	-
Net (loss) and comprehensive income	-	-	-	(5,606,157)	328,579	(5,277,578)
Balance, September 30, 2022	$ 237,159,483	$ 4,379,259	$ 2,018,890	$ (248,163,529)	$ 231,768	$ (4,374,129)
Balance, December 31, 2022	$ 239,495,678	$ 4,379,259	$ 1,782,371	$ (250,017,006)	$ 186,040	$ (4,173,658)
DSUs issued (Note 5)	-	-	566,250	-	-	566,250
Stock options granted (Note 6 (c))	-	-	248,478	-	-	248,478
Stock option expiry (Note 6 (c))	-	-	(1,045,945)	1,045,945	-	-
Security conversion (Note 6 (b))	1,141,894	-	-	-	-	1,141,894
Termination settlement (Note 6 (b))	389,717	-	-	-	-	389,717
RSU Issued (Note 6 (b))	235,875	-	(395,143)	-	-	(159,268)
DSU Issued (Note 6 (b))	230,405	-	-	-	-	230,405
Private placement (Note 6 (b))	731,479	107,497	-	-	-	838,976
Share issuance costs (Note 6 (b))	(75,613)	-	-	-	-	(75,613)
Warrants issued (Note 6 (d))	-	163,626	-	-	-	163,626
Warrants expiry (Note 6 (d))	-	(2,913,927)	-	2,913,927	-	-
Net (loss) and comprehensive (loss)	-	-	-	(1,451,052)	(18,522)	(1,469,574)
Balance, September 30, 2023	$ 242,149,435	$ 1,736,455	$ 1,156,011	$ (247,508,186)	$ 167,518	$ (2,298,767)

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

EURO SUN MINING INC.

Condensed consolidated interim statements of cash flows
(Expressed in United States dollars)

		Nine months ended September 30, 2023		Nine months ended September 30, 2022
Cash flows from operating activities				
Loss and comprehensive loss for the period	**$**	**(1,451,052)**	$	(5,606,157)
Adjustment for:				
Depreciation (Note 3)		**18,217**		140,736
Change in fair value of Convertible Security (Note 10)		**(321,121)**		(688,685)
Interest income		**(2,279)**		(15)
Share-based compensation (Note 5 and Note 6 (c))		**671,390**		101,751
Loss on asset disposal (Note 3)		**3,737**		179,583
Loss on Convertible Security (Note 10)		**184,796**		-
Non-cash termination settlement		**389,717**		-
Non-cash financing fees (Note 10)		**165,450**		1,658,593
	$	**(341,145)**	$	(4,214,194)
Prepaid expenses, sundry receivables and restricted deposits		**(349,798)**		462,661
Trade and other payables (Note 4 and Note 8)		**(131,631)**		(8,672)
Net cash used in operating activities	**$**	**(822,574)**	$	(3,760,205)
Cash flows from investing activities				
Interest income		**2,279**		15
Acquisition of property, plant and equipment (Note 3)		**-**		(9,319)
Net cash used in investing activities	**$**	**2,279**	$	(9,304)
Cash flows from financing activities				
Payment portion of current lease liability		**-**		(56,216)
Proceeds of convertible debenture		**-**		4,695,122
Prepaid interest on Convertible Security (Note 10)		**-**		(550,834)
Convertible Security fees (Note 10)		**(1,824)**		(193,260)
Private placement (Note 6(b))		**838,976**		-
Share issuance costs		**(75,613)**		(17,469)
Cash provided by financing activities	**$**	**761,539**	$	3,877,343
Effect of exchange rate changes on cash and cash equivalents	**$**	**609,985**	$	(63,645)
NET CHANGE IN CASH AND CASH EQUIVALENTS		**551,228**		44,188
CASH AND CASH EQUIVALENTS, beginning of period	**$**	**912,666**	$	182,085
CASH AND CASH EQUIVALENTS, end of period	**$**	**1,463,894**	$	226,273
Supplemental cash flow information:				
Warrants issued (Note 6 (b),10)	**$**	**107,497**	$	1,465,333
Non-cash payment of principal portion of lease liability		**-**		76,585
Lind warrants		**163,626**		-

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

1. Nature of operations and going concern

Euro Sun Mining Inc., together with its subsidiaries (collectively the "Company"), is a gold and copper exploration and development mining company focused primarily on its 100% owned Rovina Valley Project ("RVP") located in west-central Romania.

The Company was incorporated under the federal laws of Canada (the *Canada Business Corporations Act*) on January 17, 2003, is domiciled in Canada and its common shares are currently posted for trading and listed on the Toronto Stock Exchange ("TSX") under the symbol "ESM". The address of its registered office is 198 Davenport Road, Toronto, Ontario, M5R 1J2.

These condensed consolidated interim financial statements were prepared on a going concern basis of presentation, which contemplates the realization of assets and settlement of liabilities as they become due in the normal course of operations for the next fiscal year. For the nine months ended September 30, 2023, the Company incurred a net loss of $1,451,052 and as at September 30, 2023, reported an accumulated deficit of $247,508,186 and negative working capital of $2,585,982 including $1,463,894 in cash and cash equivalents. The Company has no current source of operating cash flow, and there can be no assurances that sufficient funding, including adequate financing, will be available to explore and develop its property and to cover general and administrative expenses necessary for the maintenance of a public company. The Company's status as a going concern is contingent upon raising the necessary funds through the issuance of equity or debt. These matters represent material uncertainties that cast significant doubt about the ability of the Company to continue as a going concern.

These condensed consolidated interim financial statements do not reflect adjustments to the carrying value of assets and liabilities or reported expenses and condensed consolidated interim statement of financial position classifications that would be necessary if the going concern assumption was not appropriate. These adjustments could be material.

The business of exploring for minerals and mining involves a high degree of risk. Few properties that are explored are ultimately developed into producing mines. Major expenses may be required to establish ore reserves, to develop metallurgical processes, to acquire construction and operating permits and to construct mining and processing facilities. The recoverability of the amounts shown as assets of the Company is dependent upon the Company obtaining the necessary financing to complete the exploration of its property, the discovery of economically recoverable reserves, any permitting required for mining activities, including environmental, and future profitable operations.

Although the Company has taken steps to verify title to the properties on which it is conducting exploration and in which it has an interest, in accordance with industry standards for the current stage of operations of such properties, these procedures do not guarantee the Company's title. Property title may be subject to government licensing requirements or regulations, unregistered prior agreements, unregistered claims, indigenous claims, and non-compliance with regulatory, social and environmental requirements. The Company's assets may also be subject to increases in taxes and royalties, renegotiation of contracts, political uncertainty and currency exchange fluctuations and restrictions.

2. Basis of presentation

The Company prepares its unaudited condensed consolidated interim financial statements in accordance with IFRS as issued by the IASB applicable to the preparation of interim financial statements, including IAS 34, Interim Financial Reporting. These statements are condensed and do not include all the information required for full annual financial statements and should be read in conjunction with the annual consolidated financial statements as at and for the year ended December 31, 2022.

These condensed consolidated interim financial statements were approved by the Board of Directors on November 13, 2023.

Basis of measurement

The condensed consolidated interim financial statements have been prepared under the historical cost convention, unless otherwise disclosed. The condensed consolidated interim financial statements have been prepared on an accrual basis except for cash flow information.

The functional currency of Euro Sun Mining Inc. is the Canadian dollar. The functional currency of SAMAX Romania Limited and SAMAX Romania S.R.L. is the U.S. dollar.

Basis of presentation

The condensed consolidated interim financial statements of the Company consolidate the accounts of Euro Sun Mining Inc. and its subsidiaries. All intercompany transactions, balances and unrealized gains and losses from intercompany transactions are eliminated on consolidation.

Subsidiaries consist of entities over which the Company is exposed to, or has rights to, variable returns as well as the ability to affect those returns through the power to direct the relevant activities of the entity. Subsidiaries are fully consolidated from the date control is transferred to the Company and are de-consolidated from the date control ceases. The condensed consolidated interim financial statements include all the assets, liabilities, revenues, expenses and cash flows of the Company and its subsidiaries after eliminating inter-entity balances and transactions.

The Company's financial statements consolidate its subsidiaries which comprise the following at September 30, 2023 and December 31, 2022:

Name of entity	Country of incorporation	Ownership
SAMAX Romania Limited	Cyprus	100%
SAMAX Romania S.R.L.	Romania	100%

2. Basis of presentation (continued)

Significant accounting policies

The unaudited condensed consolidated interim financial statements were prepared using the same accounting policies and methods as those used in the Company's consolidated financial statements for the year ended December 31, 2022 with the exception of the new policy below and the following amended policies.

Amended accounting standards

IAS 1 – Presentation of Financial Statements ("IAS 1") was amended in January 2020 to provide a more general approach to the classification of liabilities under IAS 1 based on the contractual arrangements in place at the reporting date. The amendments clarify that the classification of liabilities as current or noncurrent is based solely on a company's right to defer settlement at the reporting date. The right needs to be unconditional and must have substance. The amendments also clarify that the transfer of a company's own equity instruments is regarded as settlement of a liability, unless it results from the exercise of a conversion option meeting the definition of an equity instrument. This amendment was adopted by the Company on January 1, 2023 and did not have a material impact on the Company's financial statements.

IAS 1 – In February 2021, the IASB issued 'Disclosure of Accounting Policies' with amendments that are intended to help preparers in deciding which accounting policies to disclose in their financial statements. This amendment was adopted by the Company on January 1, 2023 and did not have a material impact on the Company's financial statements.

IAS 8 – Accounting policies, changes in accounting estimates and errors ("IAS 8") was amended in February 2021. the IASB issued 'Definition of Accounting Estimates' to help entities distinguish between accounting policies and accounting estimates. The amendments are effective for year ends beginning on or after January 1, 2023. This amendment was adopted by the Company on January 1, 2023 and did not have a material impact on the Company's financial statements.

Future accounting standards not yet effective

Certain pronouncements were issued by the IASB or the IFRIC that are mandatory for accounting periods commencing on or after January 1, 2024. These standards are not mandatory for the current period and have not been early adopted. These standards are not expected to have a material impact on the Company in the current or future reporting periods.

3. Property, plant and equipment

	Leasehold improvements, furniture and fixtures	Machinery, equipment & vehicles	Right of use asset	Total
Cost:				
Balance, December 31, 2021	$ 715,637	$ 291,994	$ 633,742	$ 1,641,373
Additions	6,806	2,513	-	9,319
Disposals	(393,188)	-	(633,742)	(1,026,930)
Balance, December 31, 2022	$ 329,255	$ 294,507	$ -	$ 623,762
Additions	**-**	**-**	**-**	**-**
Disposals	**(81,895)**	**-**	**-**	**(81,895)**
Balance, September 30, 2023	**$ 247,360**	**$ 294,507**	**$ -**	**$ 541,867**
Depreciation:				
At December 31, 2021	$ 303,788	$ 192,118	$ 334,427	$ 830,333
Depreciation charge for the year	46,306	46,340	123,565	216,211
Disposals	(273,959)	-	(457,992)	(731,951)
Balance, December 31, 2022	$ 76,135	$ 238,458	$ -	$ 314,593
Depreciation charge for the period	**1,453**	**16,764**	**-**	**18,217**
Disposals	**(78,158)**	**-**	**-**	**(78,158)**
Balance, September 30, 2023	**$ (570)**	**$ 255,222**	**$ -**	**$ 254,652**
Net book value:				
At December 31, 2022	$ 253,120	$ 56,049	$ -	$ 309,169
At September 30, 2023	**$ 247,930**	**$ 39,285**	**$ -**	**$ 287,215**

As at September 30, 2023, the carrying value of property, plant and equipment is comprised of $nil in Canada (December 31, 2022 – $nil) and $287,215 in Romania (December 31, 2022 - $309,169).

In March 2022, the Company vacated its office in Bucharest, Romania. As a result of the Company terminating its lease, the Company disposed of the right-of-use asset and leasehold improvements associated with the Bucharest office.

In November 2022, the Company vacated its office in Brad, Romania. As a result of the Company terminating its lease, the Company disposed of the right-of-use asset and leasehold improvements associated with the Bucharest office.

In November 2022, the Company terminated its car leases in Romania. As a result of the Company terminating its lease, the Company disposed of the right-of-use asset associated with these leases.

4. Trade and other payables

	September 30, 2023	December 31, 2022
Trade payables	**$ 1,754,306**	$ 1,662,470
Accrued liabilities	**1,050,367**	1,459,307
	$ 2,804,673	$ 3,121,777

5. Deferred share units and restricted share units

Effective January 21, 2010, the Company established a Deferred Share Unit ("DSU") Plan for directors or officers of the Company or any affiliate thereof ("Eligible Person"). Prior to June 2021, a DSU issued was equivalent in value to one common share of the Company based on the five-day average trading price of the Company's common shares on the TSX immediately prior to the date on which the value of the DSU is determined. Upon termination, an eligible person receives a cash payment equivalent to the quoted market value of a common share on the termination date multiplied by the number of DSUs held by them. DSUs that will be settled in cash are recorded as a DSU liability on the condensed consolidated interim statement of financial position and the liability is based on the weighted average trading price of the Company's common shares over the five trading days immediately preceding the date of the condensed consolidated interim statement of financial position.

In June 2021, the Company approved a change to the DSU plan such that each DSU will provide the right to receive, on a deferred payment basis, a common share or cash equivalent of a common share in an amount equal to the fair market value of the common share at the applicable payment date at the discretion of the Board of Directors. As the Company expects to settle any such DSUs using common shares of the Company, any DSUs issued after June 2021, are recorded in contributed surplus on the condensed consolidated interim statement of financial position.

In June 2021, the Company approved a Restricted Share Unit ("RSU") plan, such that every RSU will provide the right to receive a common share or cash equivalent of a common share in an amount equal to the fair market value of the common share at the applicable payment date at the discretion of the Board of Directors. As the Company expects to settle any such RSUs using common shares of the Company, any RSUs issued are recorded in contributed surplus on the condensed consolidated interim statement of financial position. RSUs are settled on or before December 15 of the third calendar year following the calendar year in which the RSU is granted.

5. Deferred share units and restricted share units (continued)

The following transactions occurred during the periods noted below:

	DSUs Pre June 2021 Plan	DSUs Post June 2021 Plan	RSUs	Total
Number outstanding, December 31, 2021	3,566,259	919,110	-	4,485,369
Granted	-	1,916,660	2,236,840	4,153,500
Settled	(2,566,668)	-	(657,894)	(3,224,562)
Paid out	(133,332)	-	-	(133,332)
Converted to shares	-	(1,084,146)	-	(1,084,146)
Number outstanding, December 31, 2022	**866,259**	**1,751,624**	**1,578,946**	**4,196,829**
Paid out	**(116,259)**	**-**	**-**	**(116,259)**
Converted to shares	**-**	**(1,980,384)**	**(3,284,210)**	**(5,264,594)**
Granted	**-**	**10,663,888**	**4,495,927**	**15,159,815**
Number outstanding, September 30, 2023	**750,000**	**10,435,128**	**2,790,663**	**13,975,791**

In January 2023, 888,888 DSUs were granted, in February 2023, 5,750,000 DSUs were granted, and in April 2023, 4,025,000 DSUs were granted, with all DSUs vesting immediately.

As at September 30, 2023, 11,185,128 of the total outstanding DSUs had vested (December 31, 2022 – 2,167,883) and 2,790,663 of the total outstanding RSUs had vested (December 31, 2022 – 1,578,946).

6. Share capital

(a) Authorized
Unlimited number of common shares, without par value.
Unlimited number of preference shares, without par value.

6. Share capital (continued)

(b) Issued common shares

	Number of common shares		Stated value
Balance, December 31, 2021	174,895,514	$	236,340,375
Debenture conversion	22,315,398		1,440,520
Private placement	44,290,000		1,639,037
Share issuance costs	-		(73,112)
DSU conversion	1,084,146		148,858
Balance, December 31, 2022	242,585,058	$	239,495,678
Debenture conversion	**39,547,346**		**1,141,894**
Termination settlement	**8,000,000**		**389,717**
Private placement	**22,750,000**		**731,479**
Share issuance costs	**-**		**(75,613)**
RSU conversion	**3,284,210**		**235,875**
DSU conversion	**1,980,384**		**230,405**
Balance, September 30, 2023	**318,146,998**	**$**	**242,149,435**

During the nine months ended September 30, 2023, the Company issued 39,547,346 shares as settlement for a portion of the Convertible Security (Note 10).

On November 30, 2022, the Company closed the first tranche of its non-brokered private placement financing issuing 41,790,000 common shares at CAD$0.05 per common share for gross proceeds of $1,546,861 (CAD$2,089,500).

On December 14, 2022, the Company closed the second tranche of its non-brokered private placement financing issuing 2,500,000 common shares at CAD$0.05 per common share for gross proceeds of $92,176 (CAD$125,000).

In February 2023, the Company issued 8,000,000 common shares in satisfaction of termination agreements with former members of senior management of the Company, as well as 1,184,210 common shares in satisfaction of RSUs outstanding with a terminated member of management.

On April 28, 2023, the Company closed a non-brokered private placement financing of 19,750,000 Units at a price of CAD$0.05 per unit for gross proceeds of $727,294. Each unit consists of one common share and one half of a common share purchase warrant. Each whole common share purchase warrant entitles the holder to acquire one common share of the Company at an exercise price of CAD$0.075 until April 28, 2025. The warrants were valued at $107,497. The Company paid commissions and other expenses of $44,290 in relation to the private placement.

(c) Stock options

	Number of options		Weighted average exercise price (CAD)
Balance, December 31, 2021 and December 31, 2022	8,385,000	$	0.38
Granted	**9,010,000**		**0.05**
Expired	**(7,315,000)**		**0.37**
Balance, September 30, 2023	**10,080,000**	**$**	**0.09**

6. Share capital (continued)

(c) Stock options (continued)

As at September 30, 2023, stock options held by directors, officers, employees and consultants are as follows:

Options outstanding	Options exercisable	Grant date fair value vested	Exercise price (CAD)	Date of expiry	Remaining contractual life in years
500,000	500,000	$ 105,130	$ 0.46	March 28, 2024	0.49
95,000	95,000	41,511	$ 0.73	April 5, 2024	0.52
225,000	225,000	30,733	$ 0.28	October 15, 2024	1.04
250,000	250,000	46,015	$ 0.39	June 30, 2025	1.75
5,300,000	5,300,000	134,010	$ 0.05	February 17, 2028	4.39
3,710,000	3,710,000	114,467	$ 0.06	April 11, 2028	4.53
10,080,000	10,080,000	$ 471,866			4.07

During the nine months ended September 30, 2023, the Company granted 9,010,000 stock options (no stock options granted for the nine months ended September 30, 2022) and $249,017 option vesting expense was recorded ($nil for the nine months ended September 30, 2022).

Contributed surplus

	Number of stock options	Weighted average exercise price CAD	Carrying amount of options	Number of DSUs/ RSUs	Weighted average exercise price CAD	Carrying amount of DSUs/ RSUs	Total carrying amount
Balance, December 31, 2021	8,385,000	$ 0.38	$ 1,269,334	919,110	$ 0.26	$ 236,853	$ 1,506,187
Granted / vested	-	-	-	4,153,500	0.13	525,042	525,042
Converted to shares	-	-	-	(1,084,146)	-	(148,858)	(148,858)
Forfeited	-	-	-	(657,894)		(100,000)	(100,000)
Balance, December 31, 2022	8,385,000	$ 0.38	$ 1,269,334	3,330,570	$ 0.13	$ 513,037	$ 1,782,371
Granted / Vested	**9,010,000**	**0.05**	**248,478**	**15,159,815**	**(0.06)**	**566,250**	**814,728**
Converted to shares	**-**	**-**	**-**	**(5,264,594)**	**0.19**	**(395,143)**	**(395,143)**
Expired	**(7,315,000)**	**0.37**	**(1,045,945)**	**-**	**-**	**-**	**(1,045,945)**
Balance, September 30, 2023	**10,080,000**	**$ 0.09**	**$ 471,867**	**13,225,791**	**$ (0.07)**	**$ 684,144**	**$ 1,156,011**

6. Share capital (continued)

(d) Common share purchase warrants

	Number of warrants	Weighted average exercise price (CAD)
Balance, December 31, 2021	32,113,819	$ 0.53
Issued	20,659,185	0.29
Expired	(4,006,477)	0.55
Balance, December 31, 2022	48,766,527	$ 0.40
Expired	(28,107,342)	0.55
Issued	54,375,000	0.08
Balance, September 30, 2023	**75,034,185**	**$ 0.13**

At September 30, 2023, outstanding warrants to acquire common shares of the Company were as follows:

Number of warrants outstanding	Grant date fair value	Weighted average exercise price (CAD)	Expiry date
7,947,321	819,349	$ 0.29	March 1, 2026
12,711,864	645,983	$ 0.14	July 18, 2026
9,875,000	107,497	$ 0.08	April 28, 2025
12,500,000	163,626	$ 0.05	August 9, 2026
32,000,000	-	$ 0.13	August 25, 2028
75,034,185 $	1,736,455	$ 0.13	

On February 18, 2022, the Company issued 7,947,321 warrants in association with the Convertible Security issued (Note 10). The warrants entitle the holder to purchase one common share of the Company at an exercise price of CAD$0.29 until February 18, 2026. The fair value of these warrants of CAD$0.13 was estimated using the Geometric Brownian motion method using the following assumptions: expected volatility of 80.29% based on the Company's historical volatility, share price of CAD$0.24, risk-free rate of 1.66% and expected life of four years.

On July 18, 2022, the Company issued 12,711,864 warrants in association with the Convertible Security issued (Note 10). The warrants entitle the holder to purchase one common share of the Company at an exercise price of CAD$0.1357 until July 18, 2026. The fair value of these warrants of CAD$0.066 was estimated using the Geometric Brownian motion method using the following assumptions: expected volatility of 80.98% based on the Company's historical volatility, share price of CAD$0.115, risk-free rate of 3.21% and expected life of four years.

On April 28, 2023, the Company issued 9,875,000 warrants as part of a private placement which entitles the holder to purchase one common share of the Company at an exercise price of CAD$0.075 until April 28, 2025. The grant date fair value of these warrants of $107,497 was estimated using the Black-Scholes option pricing model using the following assumptions: expected volatility of 89.79% based on the Company's historical volatility, share price of CAD$0.04, risk-free rate of 3.65% and expected life of two years.

On August 9, 2023, the Company issued 12,500,000 warrants in association with the Convertible Security issued. The warrants entitle the holder to purchase one common share of the Company at an exercise price of CAD$0.05 until August 9, 2026. Furthermore, the warrants may not be exercised until December 9, 2023, unless the closing price of the common shares is CAD$0.075 or higher or there is a change of control of the Company. The fair value of these warrants of CAD$0.02 was estimated using the Black-Scholes option pricing model using the following assumptions: expected volatility of 92.02% based on the Company's historical volatility, share price of CAD$0.05, risk-free rate of 4.04% and expected life of five years.

6. Share capital (continued)

(e) Common share purchase warrants (continued)

On August 25, 2023, the Company issued 32,000,000 warrants in association with the 1% NSR royalty agreement. The warrants entitle the holder to purchase one common share of the Company at an exercise price of CAD$0.125 until August 25, 2028. At September 30, 2023, these warrants have not vested.

7. Exploration and evaluation expenditures

Exploration and evaluation expenditures during the periods presented were as follows:

	Three months ended September 30, 2023	Three months ended September 30, 2022	**Nine months ended September 30, 2023**	Nine months ended September 30, 2022
Consulting and technical	**$ 249,941**	$ 606,081	**$ 832,310**	$ 1,657,984
Feasibility study	**-**	(30,275)	**-**	51,767
Surface rights	**-**	85,345	**-**	195,147
Environmental studies	**12,809**	103,259	**84,458**	538,623
Field office support and administration	**59,663**	74,743	**313,959**	374,827
Depreciation	**3,961**	36,072	**18,217**	132,535
	$ 326,374	$ 875,225	**$ 1,248,944**	$ 2,950,883

The Company owns 100% of the Rovina Valley Project in Romania; mining license number 18174/2015 which is held through its subsidiary SAMAX Romania S.R.L. The license was ratified by the Romanian Government on November 16, 2018 and is valid for 20 years, with the right of extension for successive periods of 5 years each. The project carries a 6% (gold) and 5% (copper) net smelter return “NSR” royalty payable to the Romanian state once in production. As at September 30, 2023, the Company has only one material segment for financial reporting purposes, which is the development of its Romanian mining permit.

In late 2022, SAMAX Romania SRL, a wholly owned subsidiary of the Company, received a notice of action from the Cluj County court regarding an action made by Asociatia Declic against SAMAX Romania S.R.L. for the suspension of the environmental licence held by SAMAX Romania S.R.L. with respect to the Rovina Valley project, followed by an action for annulment in respect of the same environmental licence.

The Cluj County court dismissed the grounds for suspension of the environmental licence. However, on appeal, the Cluj Court of Appeals overturned this verdict and admitted the suspension thereof. The Company expects to file evidence with the Cluj County court to respond to the action for annulment of the environmental licence. The outcome of the environmental license matter and impact on the development of the Rovina Valley project are uncertain.

In October 2023, the Cluj County court ruled that the Environmental Resources Management’s (“ERM”) certificate issued by the Ministry of Environment was not valid at the time the Company’s environmental report was submitted for obtaining the environmental endorsement. The Company will not appeal this judgement and will work on preparing new documentation for obtaining an environmental endorsement.

In July 2021, the Company was granted the renewal of its certificate of urbanization for another two years beginning July, 2023. The granting of this renewal certificate is a significant milestone in the documentary process that results in a land rezoning plan, after which the environmental impact assessment will be submitted.

8. Related party transactions

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, and also comprise the directors of the Company.

Key management personnel compensation:

	Three months ended September 30, 2023	Three months ended September 30, 2022	**Nine months ended September 30, 2023**	Nine months ended September 30, 2022
Directors and officers compensation	**$ 117,515**	$ 331,488	**$ 366,944**	$ 1,005,199
Share-based payments	**46,002**	57,427	**377,431**	175,398
	$ 163,517	$ 388,915	**$ 744,375**	$ 1,180,597

As at September 30, 2023, the Company had $465,685 (December 31, 2022 - $915,427) in accounts payable owing to various current and former officers and directors of the Company. These amounts are unsecured, non-interest bearing and due on demand.

See Notes 5, 6, and 9.

9. Commitments and contingencies

(a) Management Contracts

The Company is party to certain management contracts. These contracts require payment of approximately $1,471,000 upon the occurrence of a change of control of the Company, as defined by each officer's respective consulting agreement. The Company is also committed to payments upon termination of approximately $461,000 pursuant to the terms of these contracts. As a triggering event has not taken place, these amounts have not been recorded in these condensed consolidated interim financial statements.

(b) Environmental

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

See Note 7 related to ongoing matters related to the environmental license.

(a) Legal

The Company is subject to various claims, lawsuits and other complaints arising in the ordinary course of business. The Company records provisions for losses when claims become probable and the amounts are estimable. Although the outcome of such matters cannot be determined, it is the opinion of management that the final resolution of these matters will not have a material adverse effect on the Company's financial condition, operations or liquidity.

A former contractor of the Company has initiated a legal action seeking approximately $363,000 in relation to the termination of the contract, of which the Company has accrued $38,000 at September 30, 2023. The Company does not believe the additional termination amounts are due to the former contractor and the Company intends to defend the matter vigorously as it believes the former contractor's claim is without merit.

(b) Going concern

See Note 1.

9. Commitments and contingencies (continued)

(c) Title to mining license

See Notes 1 and 7.

(d) Net smelter return ("NSR") royalty agreement

On August 28, 2023, the Company entered into a 1.0% NSR royalty agreement for consideration of $2,975,483 (CAD$4,000,000), with $1,466,355 (CAD$1,971,250) received as of September 30, 2023, and an additional $486,306 (CAD$656,250) booked to receivables and received subsequent to September 30, 2023. The remaining balance of the consideration is to be paid within nine months. The Company has the right, on behalf of the royalty holder, to sell the royalty to a third-party purchaser subject to minimum purchase prices. Should the company exercise the right to sell the royalty, the Company agrees to grant the current royalty holder a 1.0% net smelter return royalty on all copper produced at the property.

In connection with the sale of the royalty to a third-party purchaser, the Company granted 32,000,000 common share purchase warrants to the original royalty holder, which shall only vest in the event the Company sells the royalty to a third-party purchaser at specified price. Each common share purchase warrant entitles the holder to acquire one additional common share of the Company at an exercise price of $0.125 until August 25, 2028. As of September 30, 2023, none of the warrants have vested.

10. Convertible security

At September 30, 2023, the fair value of the First Tranche was estimated using a Geometric Brownian motion model using the following assumptions: expected dividend yield of 0%, expected volatility of 150.74% based on historical volatility of the Company's common shares, risk-free rate of 4.83%, share price on valuation date of CAD$0.03 and expected life of 0.77 years.

At September 30, 2023, the fair value of the Second Tranche was estimated using a Geometric Brownian motion model using the following assumptions: expected dividend yield of 0%, expected volatility of 168.29% based on historical volatility of the Company's common shares, risk-free rate of 4.83%, share price on valuation date of CAD$0.03 and expected life of 0.77 years.

10. Convertible security (continued)

Convertible Note		**Trache #1**		**Tranche #2**		**Total**
Issued at fair value	$	3,283,513	$	1,202,336	$	4,485,849
Early conversions		(1,137,339)		(303,181)		(1,440,520)
Loss (gain) on fair value adjustment		67,663		(56,381)		11,282
Effect of foreign exchange currency difference		(338,633)		59,062		(279,571)
Balance at December 31, 2022	**$**	**1,875,204**	**$**	**901,836**	**$**	**2,777,040**
Early conversions		(818,363)		(323,531)		(1,141,894)
(Gain) loss on fair value adjustment		(205,517)		(115,604)		(321,121)
Effect of foreign exchange currency difference		427,311		221,064		648,375
Balance at September 30, 2023	**$**	**1,278,635**	**$**	**683,765**	**$**	**1,962,400**
Unrecognized Day 1 Loss		**Trache #1**		**Tranche #2**		**Total**
Unrecognized loss deferred at issuance	$	(492,667)	$	(35,202)	$	(527,869)
Recognized loss during the year		205,465		8,380		213,845
Effect of foreign exchange currency difference		28,490		1,472		29,962
Balance at December 31, 2022	**$**	**(258,712)**	**$**	**(25,350)**	**$**	**(284,062)**
Recognized loss during the period		172,187		12,609		184,796
Effect of foreign exchange currency difference		(3,049)		1,670		(1,379)
Balance at September 30, 2023	**$**	**(89,574)**	**$**	**(11,071)**	**$**	**(100,645)**
Total balance at December 31, 2022	$	1,616,492	$	876,486	$	2,492,978
Total balance at September 30, 2023		**1,189,061**		**672,694**		**1,861,755**

11. Subsequent event

Convertible security repayment

On October 3, 2023, the Company settled the outstanding portion of its convertible security by repaying the outstanding principal and interest in the amount of CAD$2,475,000.