

# EUROSUN

MINING

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**CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS  
FOR THE THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2024 AND 2023**

**(Expressed in United States Dollars)**

**(Unaudited)**

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**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, 2024	December 31, 2023
<b>Assets</b>		
Current assets		
Cash	\$ 3,584	\$ 45,024
Restricted deposits	18,520	18,902
Prepaid expenses and sundry receivables	125,484	357,387
<b>Total current assets</b>	<b>\$ 147,588</b>	<b>\$ 421,313</b>
Non-current assets		
Property and equipment (Note 3)	239,272	251,689
<b>Total assets</b>	<b>\$ 386,860</b>	<b>\$ 673,002</b>
<b>Liabilities</b>		
Current liabilities		
Trade and other payables (Note 4 and Note 8)	\$ 2,928,181	\$ 2,905,387
Deferred share unit liability (Note 5)	29,169	17,636
Debenture (Note 11)	-	614,734
Loan payable (Note 12)	91,213	85,603
Deposit (Note 13)	-	1,986,617
<b>Total liabilities</b>	<b>\$ 3,048,563</b>	<b>\$ 5,609,977</b>
Shareholders' deficiency		
Share capital (Note 6 (b))	\$ 243,397,914	\$ 242,266,743
Contributed surplus (Note 6 (c))	894,272	1,069,037
Warrants (Note 6 (d))	1,788,378	1,788,378
Accumulated deficit	(248,904,178)	(250,104,452)
Accumulated other comprehensive loss	161,911	43,319
<b>Total shareholders' deficiency</b>	<b>\$ (2,661,703)</b>	<b>\$ (4,936,975)</b>
<b>Total liabilities and shareholders' deficiency</b>	<b>\$ 386,860</b>	<b>\$ 673,002</b>

Nature of operations and going concern (Note 1)  
Commitments and contingencies (Notes 7, 9, 11, 12)  
Subsequent event (Note 15)

Approved by the Board of Directors on November 13, 2024:

"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, 2024	Three months ended September 30, 2023	Nine months ended September 30, 2024	Nine months ended September 30, 2023
<b>Expenses</b>				
Consulting and management fees (Note 8)	\$ 126,318	195,194	\$ 536,503	535,160
Professional fees	21,593	15,894	89,680	60,477
General office expenses	10,045	11,278	37,370	41,807
Travel expenses	7,556	13,954	35,794	66,833
Shareholder communications and filing fees	12,838	18,391	59,559	76,909
Share-based compensation (Note 5, 6 (c) and 8)	(3,714)	(289)	11,798	671,390
Exploration and evaluation expenditures (Note 7)	306,834	326,374	897,344	1,248,944
Change in fair value of convertible security (Note 10)	-	83,641	-	321,121
Loss on foreign exchange	3,408	(5,847)	10,786	31,631
Interest income	(53)	(196)	(899)	(2,279)
Interest expense	3,469	1,003	10,249	1,474
Financing expense (Note 14)	(135)	165,450	101,669	165,450
Accretion expense (Note 14)	(14)	-	10,527	-
Loss on convertible security (Note 10)	-	61,791	-	184,796
Royalty revenue	(2,854,014)	-	(2,854,014)	-
<b>Net income (loss) for the period</b>	<b>\$ 2,365,869</b>	<b>\$ (886,638)</b>	<b>\$ 1,053,634</b>	<b>\$ (3,403,713)</b>
<b>Other comprehensive income (loss)</b>				
Items that will subsequently be reclassified to operations:				
Currency exchange translation adjustments	(57,741)	93,643	118,592	(18,522)
<b>Other comprehensive income (loss) for the period</b>	<b>\$ (57,741)</b>	<b>\$ 93,643</b>	<b>\$ 118,592</b>	<b>\$ (18,522)</b>
<b>Net comprehensive income (loss) for the period</b>	<b>\$ 2,308,128</b>	<b>\$ (792,995)</b>	<b>\$ 1,172,226</b>	<b>\$ (3,422,235)</b>
Basic and diluted income (loss) per share	\$ 0.01	\$ -	\$ -	\$ (0.01)
Weighted average number of common shares outstanding - basic and diluted	340,446,726	309,353,069	327,225,953	284,277,832

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	Equity component of convertible promissory note	Accumulated deficit	Accumulated other comprehensive loss	Shareholders' deficiency
Balance, December 31, 2022	\$ 239,495,678	\$ 4,379,259	\$ 1,782,371	\$ -	\$ (250,017,006)	\$ 186,040	\$ (4,173,658)
DSUs and RSUs 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
RSUs converted (Note 6 (b))	235,875	-	(395,143)	-	-	-	(159,268)
DSUs converted (Note 5)	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)
Warrant issued (Note 6 (d))	-	163,626	-	-	-	-	163,626
Warrant expiry (Note 6 (d))	-	(2,913,927)	-	-	2,913,927	-	-
Net loss and comprehensive loss	-	-	-	-	(3,403,713)	(18,522)	(3,422,235)
Balance, September 30, 2023	\$ 242,149,435	\$ 1,736,455	\$ 1,156,011	\$ -	\$ (249,460,847)	\$ 167,518	\$ (4,251,428)
Balance, December 31, 2023	\$ 242,266,743	\$ 1,788,378	\$ 1,069,037	\$ -	\$ (250,104,452)	\$ 43,319	\$ (4,936,975)
Stock option expiry (Note 6 (c))	-	-	(146,640)	-	146,640	-	-
Promissory note conversion (Note 14)	744,403	-	-	(50,678)	-	-	693,725
Share issuance costs (Note 6 (b))	(22,308)	-	-	-	-	-	(22,308)
RSUs issued (Note 6 (b))	-	-	380,951	-	-	-	380,951
RSUs converted (Note 6 (b))	380,951	-	(380,951)	-	-	-	-
DSUs converted (Note 5)	28,125	-	(28,125)	-	-	-	-
Convertible promissory note issuance (Note 14)	-	-	-	50,678	-	-	50,678
Net (loss) and comprehensive (loss)	-	-	-	-	1,053,634	118,592	1,172,226
Balance, September 30, 2024	\$ 243,397,914	\$ 1,788,378	\$ 894,272	\$ -	\$ (248,904,178)	\$ 161,911	\$ (2,661,703)

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, 2024	Nine months ended September 30, 2023
<b>Cash flows from operating activities</b>		
Loss for the period	\$ 1,053,634	\$ (3,403,713)
Adjustment for:		
Depreciation (Note 3)	12,417	18,217
Change in fair value of convertible security (Note 10)	380,951	(321,121)
Interest income	(899)	(2,279)
Share-based compensation (Note 5 and Note 6 (c))	11,798	671,390
Loss on asset disposal (Note 3)	-	3,737
Loss on convertible security (Note 10)	-	184,796
Non-cash termination settlement	-	389,717
Non-cash financing fees	-	165,450
Non-cash interest expense	(9,909)	-
	\$ 1,447,992	\$ (2,293,806)
Prepaid expenses and sundry receivables	231,903	(349,798)
Trade and other payables (Note 4 and Note 8)	22,529	(131,631)
Deposit (Note 13)	(1,986,617)	1,952,661
Net cash from operating activities	\$ (284,193)	\$ (822,574)
<b>Cash flows from investing activities</b>		
Interest income	899	2,279
Net cash from investing activities	\$ 899	\$ 2,279
<b>Cash flows from financing activities</b>		
Debenture repayment (Note 11)	(614,734)	-
Convertible Security fees	-	(1,824)
Private placement	-	838,976
Share issuance costs (Note 6 (b))	(22,308)	(75,613)
Convertible promissory note proceeds (Note 14)	725,000	-
Cash from financing activities	\$ 87,958	\$ 761,539
Effect of exchange rate changes on cash	\$ 153,896	\$ 609,985
NET CHANGE IN CASH	(41,440)	551,228
CASH, beginning of period	\$ 45,024	\$ 912,666
CASH, end of period	\$ 3,584	\$ 1,463,894

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

# EURO SUN MINING INC.

## Notes to condensed consolidated interim financial statements

For the three and nine months ended September 30, 2024 and 2023

(Expressed in United States Dollars)

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### 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, 2024, the Company incurred net income of \$1,053,634 and as at September 30, 2024, reported an accumulated deficit of \$248,904,178 and negative working capital of \$2,900,975 including \$3,584 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.

# EURO SUN MINING INC.

## Notes to condensed consolidated interim financial statements

For the three and nine months ended September 30, 2024 and 2023

(Expressed in United States Dollars)

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### 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, 2023.

These condensed consolidated interim financial statements were approved by the Board of Directors on November 13, 2024.

### 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, 2024 and December 31, 2023:

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

# EURO SUN MINING INC.

## Notes to condensed consolidated interim financial statements

For the three and nine months ended September 30, 2024 and 2023

(Expressed in United States Dollars)

### 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, 2023.

### 3. Property, plant and equipment

	Leasehold improvements, furniture and fixtures	Machinery, equipment & vehicles	Total
<b>Cost:</b>			
Balance, December 31, 2022	\$ 329,255	\$ 294,507	\$ 623,762
Disposals	(81,895)	-	(81,895)
<b>Balance, December 31, 2023 and September 30, 2024</b>	<b>\$ 247,360</b>	<b>\$ 294,507</b>	<b>\$ 541,867</b>
<b>Depreciation:</b>			
At December 31, 2022	\$ 76,135	\$ 238,458	\$ 314,593
Depreciation charge for the year	33,347	20,396	53,743
Disposals	(78,158)	-	(78,158)
Balance, December 31, 2023	\$ 31,324	\$ 258,854	\$ 290,178
<b>Depreciation charge for the period</b>	<b>4,014</b>	<b>8,403</b>	<b>12,417</b>
<b>Balance, September 30, 2024</b>	<b>\$ 35,338</b>	<b>\$ 267,257</b>	<b>\$ 302,595</b>
<b>Net book value:</b>			
At December 31, 2023	\$ 216,036	\$ 35,653	\$ 251,689
<b>At September 30, 2024</b>	<b>\$ 212,022</b>	<b>\$ 27,250</b>	<b>\$ 239,272</b>

As at September 30, 2024, the carrying value of property, plant and equipment is comprised of \$nil in Canada (December 31, 2023 – \$nil) and \$239,272 in Romania (December 31, 2023 - \$251,689).

### 4. Trade and other payables

	September 30, 2024	December 31, 2023
Trade payables	\$ 1,828,129	\$ 1,809,372
Accrued liabilities	1,100,052	1,096,015
	<b>\$ 2,928,181</b>	<b>\$ 2,905,387</b>

# EURO SUN MINING INC.

## Notes to condensed consolidated interim financial statements

For the three and nine months ended September 30, 2024 and 2023

(Expressed in United States Dollars)

### 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.

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, 2022	866,259	1,751,624	1,578,946	4,196,829
Paid out	(116,259)	-	-	(116,259)
Converted to shares (Note 6 (b))	-	(1,980,384)	(5,680,137)	(7,660,521)
Granted	-	10,663,888	4,495,927	15,159,815
Number outstanding, December 31, 2023	<b>750,000</b>	<b>10,435,128</b>	<b>394,736</b>	<b>11,579,864</b>
Converted to shares (Note 6 (b))	-	<b>(637,500)</b>	<b>(9,320,894)</b>	<b>(9,958,394)</b>
Granted	-	-	<b>9,320,894</b>	<b>9,320,894</b>
Number outstanding, September 30, 2024	<b>750,000</b>	<b>9,797,628</b>	<b>394,736</b>	<b>10,942,364</b>
			<b>September 30,</b>	December 31,
			<b>2024</b>	<b>2023</b>
Deferred share unit liability			<b>\$ 29,169</b>	<b>\$ 17,636</b>

In January 2023, 888,888 DSUs were granted with a fair value of \$49,942 using a share price of CAD\$0.08, in February 2023, 5,750,000 DSUs were granted with a fair value of \$257,252 using a share price of CAD\$0.06, and in April 2023, 4,025,000 DSUs were granted with a fair value of \$179,114 using a share price of CAD\$0.06. All DSUs granted during the year ended December 31, 2023 vested immediately. 9,388,888 DSUs granted during the year ended December 31, 2023 were granted to officers and directors of the Company.

In May 2023, 4,495,927 RSUs were granted with a fair value of \$151,077 using a share price of CAD\$0.05. 2,100,000 RSUs granted during the year ended December 31, 2023 were granted to an officer and director of the Company.

# EURO SUN MINING INC.

Notes to condensed consolidated interim financial statements  
For the three and nine months ended September 30, 2024 and 2023  
(Expressed in United States Dollars)

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

In August 2024, 9,320,894 RSUs were granted with a fair value of \$380,951 using a share price of \$0.04. 4,566,233 of these RSUs were granted to an officer and director of the Company.

As at September 30, 2024, 10,547,628 of the total outstanding DSUs had vested (December 31, 2023 – 11,185,128) and 394,736 of the total outstanding RSUs had vested (December 31, 2023 – 394,736), and a total of 8,750,000 DSUs and no RSUs are held by officers and directors of the Company (December 31, 2023 – 8,750,000 DSUs and no RSUs).

The DSU liability was valued at September 30, 2024 using a 5-day weighted average share from the five trading days prior to September 30, 2024 of CAD\$0.052 (December 31, 2023 – CAD\$0.031).

## 6. Share capital

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

- (b) Issued common shares

	Number of common shares	Stated value
Balance, December 31, 2022	242,585,058	\$ 239,495,678
Debenture conversion	39,547,346	1,120,578
Termination settlement	8,000,000	449,674
Private placement	22,750,000	731,479
Share issuance costs	-	(76,886)
RSU conversion	5,680,137	315,815
DSU conversion	1,980,384	230,405
Balance, December 31, 2023	320,542,925	\$ 242,266,743
RSU conversion	<b>9,320,894</b>	<b>380,951</b>
DSU conversion	<b>637,500</b>	<b>28,125</b>
Promissory note conversion	<b>19,769,832</b>	<b>744,403</b>
Share issuance costs	-	<b>(22,308)</b>
<b>Balance, September 30, 2024</b>	<b>350,271,151</b>	<b>\$ 243,397,914</b>

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.

On August 10, 2023, the Company closed a non-brokered private placement financing of 3,000,000 shares at a price of CAD\$0.05 for gross proceeds of \$111,682. The Company paid expenses of \$28,146 in relation to this non-brokered private placement.

# EURO SUN MINING INC.

## Notes to condensed consolidated interim financial statements

For the three and nine months ended September 30, 2024 and 2023

(Expressed in United States Dollars)

### 6. Share capital (continued)

#### (b) Issued common shares (continued)

During the nine months ended September 30, 2024, the Company incurred \$22,308 share issuance costs in relation to the Company's convertible promissory note.

#### (c) Stock options

	Number of options	Weighted average exercise price (CAD)
Balance, December 31, 2022	8,385,000	\$ 0.38
Granted	9,010,000	0.05
Expired	(7,570,000)	0.36
Balance, December 31, 2023	9,825,000	\$ 0.10
Expired	(595,000)	0.50
<b>Balance, September 30, 2024</b>	<b>9,230,000</b>	<b>\$ 0.07</b>

As at September 30, 2024, stock options held by directors, officers, employees and consultants are as follows:

Grant date	Options outstanding	Options exercisable	Grant date fair value vested	Exercise price (CAD)	Expiry date	Remaining contractual life in years	Grant date share price (CAD)	Black-Scholes Inputs				
								Expected volatility based on historical share prices	Expected life (yrs)	Expected dividend yield	Risk-free interest rate	
15-Oct-19	225,000	225,000	\$ 30,733	\$ 0.28	15-Oct-24	0.04	\$ 0.28	83%	5	0%	1.55%	
30-Jun-20	250,000	250,000	\$ 46,015	\$ 0.39	30-Jun-25	0.75	\$ 0.30	83%	5	0%	0.36%	
17-Feb-23	5,150,000	5,150,000	\$ 130,218	\$ 0.05	17-Feb-28	3.38	\$ 0.05	84%	5	0%	3.45%	
11-Apr-23	3,605,000	3,605,000	\$ 111,227	\$ 0.06	11-Apr-28	3.53	\$ 0.06	87%	5	0%	3.06%	
	9,230,000	9,230,000	\$ 318,193			3.29						

During the nine months ended September 30, 2024, the Company granted no stock options (9,010,000 stock options granted for the nine months ended September 30, 2023) and no option vesting expense was recorded (\$249,017 for the nine months ended September 30, 2023).

#### 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, 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	248,477	15,159,815	0.06	637,386	885,863
Converted to shares	-	-	-	(7,660,521)	-	(546,220)	(546,220)
Expired	(7,570,000)	0.36	(1,052,977)	-	-	-	(1,052,977)
Balance, December 31, 2023	9,825,000	\$ 0.10	\$ 464,834	10,829,864	\$ 0.13	\$ 604,203	\$ 1,069,037
<b>Granted / Vested</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>9,320,894</b>	<b>0.04</b>	<b>380,951</b>	<b>380,951</b>
<b>Converted to shares</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(9,958,394)</b>	<b>0.06</b>	<b>(409,076)</b>	<b>(409,076)</b>
<b>Expired</b>	<b>(595,000)</b>	<b>0.50</b>	<b>(146,640)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(146,640)</b>
<b>Balance, September 30, 2024</b>	<b>9,230,000</b>	<b>\$ 0.07</b>	<b>\$ 318,194</b>	<b>10,192,364</b>	<b>\$ 0.11</b>	<b>\$ 576,078</b>	<b>\$ 894,272</b>

# EURO SUN MINING INC.

## Notes to condensed consolidated interim financial statements

For the three and nine months ended September 30, 2024 and 2023

(Expressed in United States Dollars)

### 6. Share capital (continued)

(d) Common share purchase warrants

	Number of warrants	Weighted average exercise price (CAD)
Balance, December 31, 2022	48,766,527	\$ 0.40
Expired	(28,107,342)	0.55
Issued	74,375,000	0.09
Balance, December 31, 2023 and September 30, 2024	95,034,185	\$ 0.11

At September 30, 2024, outstanding warrants to acquire common shares of the Company were as follows:

Grant date	Number of warrants outstanding	Grant date fair value	Weighted average exercise price (CAD)	Expiry date
March 1, 2022	7,947,321	\$ 819,349	\$ 0.29	March 1, 2026
July 18, 2022	12,711,864	\$ 645,983	\$ 0.14	July 18, 2026
April 28, 2023	9,875,000	\$ 107,497	\$ 0.08	April 28, 2025
August 9, 2023	12,500,000	\$ 163,626	\$ 0.05	August 9, 2026
August 25, 2023	32,000,000	\$ -	\$ 0.13	August 25, 2028
December 15, 2023	20,000,000	\$ 51,923	\$ 0.05	December 15, 2026
	95,034,185	\$ 1,788,378	\$ 0.11	

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. The grant date fair value of these warrants of \$163,626 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.

On August 25, 2023, the Company issued 32,000,000 warrants in association with the Company's royalty agreement. The warrants entitle the holder to purchase one common share of the Company at an exercise price of CAD\$0.13 until August 25, 2028. The Company has the right, on behalf of the holder, to sell the royalty to a third party and these warrants only vest upon the Company's exercise of the right. The warrants have been assigned a value of \$nil as at September 30, 2024 as management believes the probability that the Company will be able to exercise its royalty sale right is remote.

On December 15, 2023, the Company issued 20,000,000 warrants in association with the debenture issued. The warrants entitle the holder to purchase one common share of the Company at an exercise price of CAD\$0.05 until December 15, 2026.

# EURO SUN MINING INC.

## Notes to condensed consolidated interim financial statements

For the three and nine months ended September 30, 2024 and 2023

(Expressed in United States Dollars)

### 7. Exploration and evaluation expenditures

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

	Three months ended September 30, 2024	Three months ended September 30, 2023	Nine months ended September 30, 2024	Nine months ended September 30, 2023
Consulting and technical	\$ 179,419	\$ 249,941	\$ 514,742	\$ 832,310
Surface rights	84	-	16,661	-
Environmental studies	109	12,809	21,749	84,458
Field office support and administration	123,459	59,663	331,775	313,959
Depreciation	3,763	3,961	12,417	18,217
	<b>\$ 306,834</b>	<b>\$ 326,374</b>	<b>\$ 897,344</b>	<b>\$ 1,248,944</b>

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, 2024, 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.

# EURO SUN MINING INC.

## Notes to condensed consolidated interim financial statements

For the three and nine months ended September 30, 2024 and 2023

(Expressed in United States Dollars)

### 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 September 30, 2024	Three months September 30, 2023	Nine months September 30, 2024	Nine months September 30, 2023
Directors and officers compensation	\$ 116,788	\$ 117,515	\$ 350,698	\$ 366,944
Share-based payments	111,785	46,002	111,785	377,431
	\$ 228,573	\$ 163,517	\$ 462,483	\$ 744,375

As at September 30, 2024, the Company had \$404,906 (December 31, 2023 - \$334,558) 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 \$1,474,000 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 \$491,000 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.

#### (c) 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, 2024. 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.

A former contractor of the Company has initiated a legal action seeking approximately \$1,200,000 in relation to the purported breach of the contract, of which the Company has accrued approximately \$108,000 at September 30, 2024. The Company does not believe the additional 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.

# EURO SUN MINING INC.

## Notes to condensed consolidated interim financial statements

For the three and nine months ended September 30, 2024 and 2023

(Expressed in United States Dollars)

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### 9. Commitments and contingencies (continued)

(d) Going concern

See Note 1.

(e) Title to mining license

See Notes 1 and 7.

### 10. Convertible security

On February 18, 2022, the Company executed a convertible security funding agreement (“Convertible Security”) for an initial principal amount (the “First Tranche”) of \$2,748,423 (CAD\$3,500,000) and a potential additional amount of up to \$1,177,949 (CAD\$1,500,000) of convertible securities.

Pursuant to the agreement, the Company had issued to Lind Global Fund II, LP (“Lind”) a convertible security with a face value of \$3,299,257 (CAD\$4,200,000), representing a principal amount of \$2,748,423 (CAD\$3,500,000) and an interest amount of \$550,834 (CAD\$700,000) on March 1, 2022. The First Tranche was due two years from the date of issuance and had a maturity date of March 1, 2024.

The First Tranche was secured by all the assets of the Company and bore interest at 10% per annum and matured on March 1, 2024. The First Tranche included covenants typical and customary for secured convertible securities of this nature. The Company needed to comply with the covenants on a regular basis.

In relation to the First Tranche, the Company issued to Lind 7,947,321 warrants of the Company exercisable for a term of 48 months from the date of their issuance, subject to acceleration, with a warrant exercise price of CAD\$ 0.28626, being 130% of the 20-day VWAP of the shares, immediately prior to execution of the agreement (Note 6 (d)).

On the issuance date, 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 73% based on historical volatility of the Company’s common shares, risk-free rate of 1.42%, share price on issuance date of CAD\$0.24 and expected life of two years. The fair value of the First Tranche of the convertible security was \$3,283,513, which resulted in a loss of \$492,667 compared to funding proceeds received of \$2,669,245 net of commitment fees of \$121,601. The Company determined that this loss cannot be recognized immediately in the consolidated statement of loss, but rather should be deferred against the liability components and realized over the term of convertible security in the financing costs, as factors that a market participant would include in pricing the instrument, including time, become observable.

On July 18, 2022, the Company issued to Lind a second convertible security (the “Second Tranche”) under the agreement with a face value of \$1,396,865 (CAD\$1,800,000), representing a principal amount of \$1,164,054 (CAD\$1,500,000) and an interest amount of \$232,811 (CAD\$300,000). The Second Tranche was due two years from the date of issuance and had a maturity date of July 18, 2024.

The Second Tranche was secured by all the assets of the Company and bore interest at 10% per annum and matured on July 18, 2024. The Second Tranche included covenants typical and customary for secured convertible securities of this nature. The Company needed to comply with the covenants on a regular basis.

In relation to the Second Tranche, the Company issued to Lind 12,711,864 warrants of the Company exercisable for a term of 48 months from the date of their issuance, subject to acceleration, with a warrant exercise price of CAD\$0.1357, being 115% of the 10-day VWAP of the shares, immediately prior to execution of the agreement (Note 6 (d)).

# EURO SUN MINING INC.

## Notes to condensed consolidated interim financial statements

For the three and nine months ended September 30, 2024 and 2023

(Expressed in United States Dollars)

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### 10. Convertible security (continued)

On the issuance date, 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 66% based on historical volatility of the Company's common shares, risk-free rate of 3.26%, share price on issuance date of CAD\$0.115 and expected life of two years. The fair value of the Second Tranche of the convertible security was \$1,202,336, which resulted in a loss of \$35,202 compared to funding proceeds received of \$1,120,448, net of commitment fees of \$46,686. The Company determined that this loss cannot be recognized immediately in the consolidated statement of loss, but rather should be deferred against the liability components and realized over the term of convertible security in the financing costs, as factors that a market participant would include in pricing the instrument, including time, become observable.

The Company had recorded the Convertible Security including the host contract and embedded derivative at fair value through profit and loss. The Convertible Security had been recorded at Level 3 in the fair value hierarchy.

The Convertible Security could be converted to common shares of the Company at a rate of no more than 1/24<sup>th</sup> of the face value of the Convertible Security in any given month and at a price per share equal to 85% of the volume weighted average price per share for the five consecutive trading days immediately prior to the conversion date. Lind reserved the right at any time to increase the conversion limit from 1/24<sup>th</sup> of the face value of the first closing to CAD\$500,000 per month, providing that increased amount did not exceed 15% of the aggregate trading volume of the shares for the immediately proceeding 20 days.

The Company had the right to buy-back the outstanding face value of the loan face value at any time with no penalty. If the Company elected to exercise its buy-back rights, Lind would have had the option to convert up to 33% of such face value to common shares of the Company at the price that is equal to 85% of the volume weighted average price per share for the five consecutive trading days immediately prior.

On August 9, 2023, the Company signed an agreement with Lind. The Company issued 12,500,000 warrants to Lind in exchange for Lind's waiver of its ongoing conversion rights under the convertible security agreement and its right to receive common shares of the Company should the Company elect to buyback the amounts outstanding under the convertible security agreement, in each case for the period between July 31, 2023 and August 28, 2023 (Note 6 (d)).

On October 3, 2023, the Company settled the outstanding portion of its convertible security by repaying the outstanding principal and interest in cash in the amount of \$1,800,810 (CAD\$2,475,000).

The fair value of the convertible security at October 3, 2023 was \$1,835,320 (CAD\$2,522,428), which resulted in a gain on extinguishment of \$34,510 (CAD\$47,428).

# EURO SUN MINING INC.

## Notes to condensed consolidated interim financial statements

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### 10. Convertible security (continued)

<b>Convertible security</b>		<b>Tranche #1</b>		<b>Tranche #2</b>		<b>Total</b>
Balance at December 31, 2022	\$	1,875,204	\$	901,836	\$	2,777,040
Early conversions		(800,013)		(320,565)		(1,120,578)
Loss on fair value adjustment		200,611		100,768		301,379
Cash repayment		(1,145,931)		(654,879)		(1,800,810)
Gain on extinguishment		(113,782)		(18,253)		(132,035)
Effect of foreign exchange currency difference		(16,089)		(8,907)		(24,996)
Balance at December 31, 2023 and September 30, 2024	\$	-	\$	-	\$	-
<b>Unrecognized day 1 loss</b>						
Balance at December 31, 2022	\$	(258,712)	\$	(25,350)	\$	(284,062)
Recognized loss during the period		172,576		12,543		185,119
Gain on extinguishment		84,988		12,537		97,525
Effect of foreign exchange currency difference		1,148		270		1,418
Balance at December 31, 2023 and September 30, 2024	\$	-	\$	-	\$	-
Total balance at December 31, 2023	\$	-	\$	-	\$	-
Total balance at September 30, 2024		-		-		-

### 11. Debenture

On December 6, 2023, the Company issued a debenture for a principal amount of \$660,000, maturing on June 15, 2024. The debenture is non-interest bearing and is secured against all assets and property of the Company.

In connection with the debenture, the Company issued 20,000,000 common share purchase warrants to the lenders of the debenture. Each warrant entitles the holder to acquire one common share of the Company at an exercise price of CAD\$0.05 per common share until December 6, 2026.

On initial recognition, the loan payable was initially recorded at \$608,237 using a discounted cash flow model and a market interest rate of 15.53%. The residual amount of \$51,923 of the total gross proceeds was allocated to the warrants issued by the Company (Note 6(d)).

On June 14, 2024, the debenture was repaid in full.

### 12. Loan payable

In October 2023, the Company entered into an unsecured loan agreement with a corporation that shares a common officer and director. The principal amount of the loan is \$80,368 (CAD\$110,000) and it bears interest at 12% per annum. The loan matures on April 3, 2024, at which time the principal and interest of the loan are due to be repaid. The Company had accrued interest payable of \$13,128 as at September 30, 2024.

# EURO SUN MINING INC.

## Notes to condensed consolidated interim financial statements

For the three and nine months ended September 30, 2024 and 2023

(Expressed in United States Dollars)

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### 13. Royalty agreement

On August 25, 2023, the Company entered into a net smelter return royalty agreement (the "Agreement") with certain purchasers (together, the "Holder") for the Company's RVP. Under the Agreement, the Holder acquired a right to a 1.0% net smelter return royalty on all minerals produced (the "Royalty Right") for consideration of \$3,024,346 (CAD \$4,000,000), with \$1,986,617 (CAD \$2,627,500) paid upfront and the remaining \$1,039,619 (CAD \$1,372,500) to be paid on or before June 24, 2024.

On June 14, 2024, the Company entered into an amendment of the Agreement ("Amended Agreement"). Under the Amended Agreement, the Company Holder was required to pay \$660,000 (CAD\$910,800) by June 14, 2024, and pay the final payment of \$339,154 (CAD\$464,200) by September 30, 2024. The Company received consideration of \$660,000 on June 14, 2024 from the Holder and final payment in August 2024.

The Agreement contains a conversion right whereby if the final payment is not received by the Company by June 24, 2024, the initial payment received will convert into common shares of the Company (the "Conversion Right") and the Royalty Right will be cancelled. Under the Amended Agreement, the Conversion Right was extended to September 30, 2024. Final payment was received in August 2024. A sale of the Royalty Right was recorded at this time, and the previously recorded deposit liability was extinguished. As such, the Conversion Right has expired.

Upon payment of the final consideration by the Holder on or before September 30, 2024, the Company has the right, on behalf of the Holder, to sell the royalty to a third-party purchaser subject to minimum purchase prices for a period of two years following the final payment (the "Royalty Sale Right"). Should the Company exercise the Royalty Sale Right, the Company agrees to grant the current Holder a separate 1.0% net smelter return royalty on all copper produced at the RVP.

The Company issued 32,000,000 common share purchase warrants to the Holder, which only vests upon the Company's exercise of the Royalty Sale Right. See Note 6 (d).

# EURO SUN MINING INC.

## Notes to condensed consolidated interim financial statements

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### 14. Convertible promissory note

Convertible promissory note as at December 31, 2022 and December 31, 2023	\$	-
Principal amount		725,000
Accretion		10,527
Conversion of principal to shares		(735,473)
Effect of foreign exchange currency difference		(54)
Convertible promissory note as at September 30, 2024	\$	-

On February 22, 2024, the Company entered into a convertible promissory note with two individuals (the "Lenders"), providing for a principal amount of \$125,000 (the "February Principal Amount") and maturing on February 22, 2025 (the "February Note"). The February Note bears interest at 6% per annum, compounded monthly, and is secured against all of the assets and property of the Company pursuant to a general security agreement. The February Principal Amount and all interest accrued thereon is convertible into common shares of the Company at a price of CAD\$0.035 per Conversion Share.

On March 22, 2024, the Company entered into an additional convertible promissory note with the Lenders providing for a principal amount of \$200,000 (the "March Principal Amount") and maturing on March 22, 2025 (the "March Note"). The March Note bears interest at 6% per annum, compounded monthly, and is secured against all of the assets and property of the Company pursuant to a general security agreement. The March Principal Amount and all interest accrued thereon is convertible into common shares of the Company at a price of CAD\$0.045 per Conversion Share.

On April 22, 2024, the Company entered into an additional convertible promissory note with the Lenders providing for a principal amount of \$200,000 (the "April Principal Amount") and maturing on April 22, 2025 (the "April Note"). The April Note bears interest at 6% per annum, compounded monthly, and is secured against all of the assets and property of the Company pursuant to a general security agreement. The April Principal Amount and all interest accrued thereon is convertible into common shares of the Company at a price of CAD\$0.0587 per Conversion Share.

On May 27, 2024, the Company entered into an additional convertible promissory note with the Lenders providing for a principal amount of \$200,000 (the "May Principal Amount") and maturing on May 27, 2025 (the "May Note"). The May Note bears interest at 6% per annum, compounded monthly, and is secured against all of the assets and property of the Company pursuant to a general security agreement. The May Principal Amount and all interest accrued thereon is convertible into common shares of the Company at a price of CAD\$0.0656 per Conversion Share.

In July 2024, the Company converted the principal of \$725,000 plus all accrued interest on the convertible promissory note to 19,769,833 common shares of the Company. In connection with this conversion, the general security agreement over the Company's property and assets has been released.

### 15. Subsequent events

On November 8, 2024, the Company closed the first tranche of its non-brokered private placement by issuing 9,390,038 units of the Company at a price of \$0.05 per unit for gross proceeds of \$469,502. Each unit consists of one common share of the Company and one common share purchase warrant. Each warrant will entitle the holder to acquire one additional common share of the Company at an exercise price of \$0.05 per common share until November 8, 2026. In connection with closing of the first tranche, the Company paid an aggregate amount of \$1,400 in cash commissions and 28,000 broker warrants to a finder. Each broker warrant will entitle the holder thereof to purchase one common share at a price of five cents for a period of 24 months from the date of the closing of the first tranche.