



**Condensed Interim Consolidated Financial Statements of  
Magna Terra Minerals Inc.**

**For the three and nine months ended  
May 31, 2024 and May 31, 2023**  
(Expressed in Canadian Dollars)

## **RESPONSIBILITY FOR FINANCIAL STATEMENTS**

The accompanying unaudited interim financial statements for Magna Terra Minerals Inc. (the "Company") have been prepared by management in accordance with International Financial Reporting Standards consistently applied ("IFRS"). These financial statements have been prepared on a historical cost basis with the exception of financial instruments classified as fair value through profit and loss. In addition, these financial statements have been prepared using the accrual basis of accounting except for cash flow information. Accordingly, a precise determination of many assets and liabilities is dependent upon future events. Therefore, estimates and approximations have been made using careful judgment. Recognizing that the Company is responsible for both the integrity and objectivity of the financial statements, management is satisfied that these financial statements have been fairly presented.

## **NOTICE OF NO AUDITOR REVIEW OF 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 unaudited condensed interim 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 condensed interim 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 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.

# Magna Terra Minerals Inc.

## Condensed Interim Consolidated Statements of Financial Position

(Unaudited – expressed in Canadian dollars)

As at	May 31, 2024 \$	August 31, 2023 \$
<b>ASSETS</b>		
<b>Current</b>		
Cash	119,441	73,372
Restricted cash	5,750	-
Other receivables	56,659	37,377
Prepaid expenses	23,380	53,881
Short-term investments (note 4)	-	16,000
<b>Total current assets</b>	<b>205,230</b>	<b>180,630</b>
<b>Total assets</b>	<b>205,230</b>	<b>180,630</b>
<b>LIABILITIES</b>		
<b>Current</b>		
Trade and other payables (note 5)	294,265	503,933
Loans	5,753	-
Due to related parties (note 8)	375,907	356,211
Flow-through premium (note 6)	-	29,687
<b>Total current liabilities</b>	<b>675,925</b>	<b>889,831</b>
<b>SHAREHOLDERS' (DEFICIENCY) EQUITY</b>		
Share capital, warrants, share based compensation (note 6)	14,097,259	13,920,801
Deficit	(14,567,954)	(14,630,002)
<b>Total shareholders' (deficiency) equity</b>	<b>(470,695)</b>	<b>(709,201)</b>
<b>Total liabilities and shareholders' (deficiency) equity</b>	<b>205,230</b>	<b>180,630</b>

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

Nature of operations and basis of presentation (note 1)

Going concern (note 2)

Commitments and contingencies (note 12)

Subsequent events (note 13)

Approved by the Board of Directors on July 30, 2024

"Lew Lawrick"

Director

"Patricia Kajda"

Director

# Magna Terra Minerals Inc.

## Condensed Interim Consolidated Statements of Income (Loss) and Comprehensive Income (Loss)

(Unaudited – expressed in Canadian dollars)

	For the three months ended		For the nine months ended	
	May 31, 2024	May 31, 2023	May 31, 2024	May 31, 2023
	\$	\$	\$	\$
<b>Expenses</b>				
Exploration (income) expenditures (note 3)	(500,794)	(215,630)	(227,484)	209,856
Management fees	45,300	46,150	136,100	144,850
General and administrative (note 7)	27,633	55,859	123,505	189,853
Professional fees	32,660	40,855	96,612	116,589
Share-based compensation (note 6)	22,127	30,939	68,319	38,061
Foreign exchange loss	42,574	1,846	64,449	2,038
Deferred premium on flow-through shares (note 6)	-	(179)	(29,687)	(78,335)
Other income	(10,413)	(19)	(28,535)	(5,662)
Gain on short-term investments (note 4)	(407)	(7,170)	(1,097)	(45,935)
<b>Net income (loss) and comprehensive income (loss) for the period</b>	<b>341,320</b>	<b>47,349</b>	<b>(202,182)</b>	<b>(571,315)</b>
<b>Net income (loss) per share - basic and diluted</b>	<b>0.00</b>	<b>0.00</b>	<b>(0.01)</b>	<b>(0.01)</b>
<b>Weighted average number of shares outstanding basic and diluted</b>	<b>83,117,865</b>	<b>68,943,233</b>	<b>81,119,210</b>	<b>67,604,762</b>

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

# Magna Terra Minerals Inc.

## Condensed Interim Consolidated Statements of Cash Flows

(Unaudited – expressed in Canadian dollars)

For the nine months ended	May 31, 2024 \$	May 31, 2023 \$
<b>Operating activities</b>		
Net loss for the period	(202,182)	(571,315)
Adjustment for non-cash items:		
Common shares issued for exploration and evaluation projects	57,000	132,381
Share based compensation (note 6)	68,319	38,061
Deferred premium on flow-through shares (note 6)	(29,687)	(78,335)
Gain on short-term investments (note 4)	(1,097)	(45,935)
Other income	-	(1,500)
Net change in non-cash working capital balances related to operating activities:		
Other receivables	(19,282)	81,343
Prepaid expenses	52,635	50,257
Trade and other payables	(209,668)	(2,993)
Due to related parties	19,696	94,722
<b>Net cash used in operating activities</b>	<b>(264,266)</b>	<b>(303,314)</b>
<b>Investing activities</b>		
Proceeds from the sale of short-term investments (note 4)	17,097	54,935
Restricted cash	(5,750)	342,225
<b>Net cash provided from investing activities</b>	<b>11,347</b>	<b>397,160</b>
<b>Financing activities</b>		
Issuance of common shares	324,869	-
Share issuance costs	(9,500)	-
Repayment of loans	(16,381)	(13,838)
<b>Net cash provided from (used in) financing activities</b>	<b>298,988</b>	<b>(13,838)</b>
<b>Net increase in cash</b>	<b>46,069</b>	<b>80,008</b>
Cash, beginning of the period	73,372	107,898
<b>Cash, end of the period</b>	<b>119,441</b>	<b>187,906</b>
Supplemental cash flow information:		
Insurance premiums financed through loans	22,134	19,289

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

# Magna Terra Minerals Inc.

## Condensed Interim Consolidated Statements of Changes in Shareholders' Equity

(Unaudited – expressed in Canadian dollars, except share information)

	Share capital		Warrants	Equity reserves	Sub-total	Deficit	Total
	#	\$	\$	\$	\$	\$	\$
<b>Balance, August 31, 2022</b>	<b>66,204,355</b>	<b>13,042,473</b>	<b>351,701</b>	<b>512,146</b>	<b>13,906,320</b>	<b>(13,865,634)</b>	<b>40,686</b>
Common shares issued for exploration and evaluation projects	3,309,510	132,381	-	-	132,381	-	132,381
Share based compensation	-	-	-	38,061	38,061	-	38,061
Expiry of options transferred to deficit	-	-	-	(179,744)	(179,744)	179,744	-
Expiry of warrants transferred to deficit	-	-	(6,349)	-	(6,349)	6,349	-
Net loss for the period	-	-	-	-	-	(571,315)	(571,315)
<b>Balance, May 31, 2023</b>	<b>69,513,865</b>	<b>13,174,854</b>	<b>345,352</b>	<b>370,463</b>	<b>13,890,669</b>	<b>(14,250,856)</b>	<b>(360,187)</b>
<b>Balance, August 31, 2023</b>	<b>69,513,885</b>	<b>13,174,854</b>	<b>345,352</b>	<b>400,595</b>	<b>13,920,801</b>	<b>(14,630,002)</b>	<b>(709,201)</b>
Common shares issued for cash	10,828,980	324,869	-	-	324,869	-	324,869
Share issuance costs	-	(9,500)	-	-	(9,500)	-	(9,500)
Common shares issued for exploration and evaluation projects	2,775,000	57,000	-	-	57,000	-	57,000
Share based compensation	-	-	-	68,319	68,319	-	68,319
Expiry of options transferred to deficit	-	-	-	(39,317)	(39,317)	39,317	-
Expiry of warrants transferred to deficit	-	-	(224,913)	-	(224,913)	224,913	-
Net loss for the period	-	-	-	-	-	(202,182)	(202,182)
<b>Balance, May 31, 2024</b>	<b>83,117,865</b>	<b>13,547,223</b>	<b>120,439</b>	<b>429,597</b>	<b>14,097,259</b>	<b>(14,567,954)</b>	<b>(470,695)</b>

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

## **Magna Terra Minerals Inc.**

### Notes to the Condensed Interim Consolidated Financial Statements

For the three and nine months ended May 31, 2024 and May 31, 2023

(Expressed in Canadian dollars unless otherwise noted)

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#### **1. NATURE OF OPERATIONS AND BASIS OF PRESENTATION**

Magna Terra Minerals Inc. (“Magna Terra” or the “Company”) is incorporated under the *Canada Business Corporations Act* and is involved in the acquisition and exploration of mining properties in Canada and Argentina. Substantially all of the Company’s efforts are devoted to financing and developing these properties.

The Company’s common shares are listed on the TSX Venture Exchange under the symbol “MTT”. The address of the Company and its registered office is located at 20 Adelaide Street East, Suite 401, Toronto, Ontario, M5C 2T6.

These condensed interim consolidated financial statements of the Company and its subsidiaries have been prepared in accordance with International Financial Reporting Standards (“IFRS”) applicable to the preparation of interim financial statements, including International Accounting Standard (“IAS”) 34, Interim Financial Reporting. Since the condensed interim consolidated financial statements do not include all disclosure required by IFRS for annual financial statements, they should be read in conjunction with the Company’s consolidated financial statements as at and for the year ended August 31, 2023.

The condensed interim consolidated financial statements have been prepared on a historical cost basis except for certain financial assets and liabilities which are measured at fair value. Certain prior year amounts have been reclassified to conform to account presentation adopted in the current year.

These condensed interim consolidated financial statements were approved by the Company’s Board of Directors on July 30, 2024.

These condensed interim consolidated financial statements comprise the financial statements of Magna Terra Minerals Inc. and its wholly-owned subsidiaries 2647102 Ontario Inc. (Canada), Atala Resources Corporation (Canada), and Atala Resources Argentina S.A. (“Atala”) (Argentina). All inter-company transactions and balances are eliminated on consolidation.

The unaudited condensed interim consolidated 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 August 31, 2023.

The preparation of financial statements requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company’s accounting policies. The significant accounting judgments, estimates, and assumptions in the preparation of these condensed interim consolidated financial statements are consistent with those applied and disclosed in note 4 of the Company’s audited consolidated financial statements as at and for the year ended August 31, 2023.

#### **2. GOING CONCERN**

These consolidated financial statements have been prepared on the basis of accounting principles applicable to a going concern, which assumes the Company will continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of operations. Accordingly, it does not give effect to adjustments, if any that would be necessary should the Company be unable to continue as a going concern and, therefore, be required to realize its assets and liquidate its liabilities in other than in the normal course of business and at amounts that may differ from those shown in these consolidated financial statements.

For the nine months ended May 31, 2024, the Company had a net loss of \$202,182 (nine months ended May 31, 2023 – \$571,315), had a cash deficiency from operations of \$264,266 (nine months ended May 31, 2023

## Magna Terra Minerals Inc.

### Notes to the Condensed Interim Consolidated Financial Statements

For the three and nine months ended May 31, 2024 and May 31, 2023

(Expressed in Canadian dollars unless otherwise noted)

– \$303,314), and as at May 31, 2024, had an accumulated deficit of \$14,567,954 (August 31, 2023 – \$14,630,002) and a working capital deficit (current assets less current liabilities) of \$470,695 (August 31, 2023 – \$709,201).

To date there has been no determination whether the Company's interests in its exploration and evaluation projects contain mineral reserves, which are economically recoverable. The business of exploring for minerals involves a high degree of risk and there can be no assurance that current exploration programs will result in profitable mining operations. The Company's continued existence is dependent upon the preservation of its interest in the underlying properties, the discovery of economically recoverable reserves and the achievement of profitable operations; and the ability of the Company to raise alternative financing; or alternatively upon the Company's ability to dispose of its interests on an advantageous basis. These material uncertainties cast significant doubt upon the Company's ability to continue as a going concern.

### 3. EXPLORATION AND EVALUATION (INCOME) EXPENDITURES

	<b>Three months ended May 31, 2024</b>	Three months ended May 31, 2023	<b>Nine months ended May 31, 2024</b>	Nine months ended May 31, 2023
	\$	\$	\$	\$
<b>Atlantic Canada projects</b>				
Income from option agreements	<b>(75,000)</b>	-	<b>(75,000)</b>	-
Geological and consultant fees	<b>(52,651)</b>	1,100	<b>64,672</b>	150,588
Assaying and analytical costs	<b>1,365</b>	(15,957)	<b>64,665</b>	55,129
Geophysical surveys	-	-	<b>25,550</b>	-
Travel and accommodation	<b>630</b>	13,001	<b>18,172</b>	58,672
Staking, licences, and permits	<b>2,405</b>	5,150	<b>7,121</b>	8,970
Acquisition costs	-	-	<b>4,500</b>	-

## **Magna Terra Minerals Inc.**

### **Notes to the Condensed Interim Consolidated Financial Statements For the three and nine months ended May 31, 2024 and May 31, 2023 (Expressed in Canadian dollars unless otherwise noted)**

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of 431,159 common shares and total cash payments of \$232,350; with \$50,000 due in 2024, and \$50,000 due in 2025) and \$145,000 in milestone payments in cash or equivalent value shares over a 7-year period ending August 9, 2025 based on certain exploration activities (of which \$50,000 has been paid in cash). During the nine months ended May 31, 2024, the Company issued a total of 250,000 common shares of the Company and paid \$19,850 in cash in relation to the fifth anniversary payment.

On August 15, 2020, the Company acquired the option to earn a 100% interest in the Marigold Property. In July 2023, the Company and the optionor agreed to an amendment of the agreement, whereby the Company can earn a 100% interest in the Marigold Property by paying a total of \$95,000 in cash (of which \$35,000 has been paid; with \$25,000 due in 2024 and \$35,000 due in 2025), issuing \$80,000 in cash or equivalent-value common shares (of which \$45,000 has been paid through the issuance of 397,799 common shares and a cash payment of \$5,181; with \$35,000 due in 2024), and issuing 1,075,000 common shares of the Company (issued during the nine months ended May 31, 2024) over a 5-year period.

On August 15, 2020, the Company acquired the option to earn a 100% interest in the Armstrong Property. In July 2023, the Company and the optionor agreed to an amendment of the agreement, whereby the Company has now earned a 100% interest in the Armstrong Property by paying a total of \$30,000 (paid), issuing \$25,000 in cash or equivalent value common shares (paid through the issuance of 261,783 common shares and a cash payment of \$1,806), and issuing 1,300,000 common shares of the Company (issued during the nine months ended May 31, 2024) over a 3-year period.

On September 8, 2020, the Company completed amended and re-stated option agreements on the Viking and Kramer Properties with Spruce Ridge Resources Ltd. ("Spruce Ridge"). The amended and re-stated agreements stated that the Company could earn a 100% interest in the Viking and Kramer Properties by paying a total of \$300,000 over 4 payments ending February 15, 2023. During the year ended August 31, 2023, the Company and Spruce Ridge agreed to amendments to the option agreements, whereby the final payment totalling \$100,000 in cash and/or common share units was revised to a final payment of 2,500,000 common shares of the Company, which were issued during the year ended August 31, 2023 enabling the Company to complete its earn-in on the Viking and Kramer Properties.

On November 7, 2020, the Company acquired the option to earn a 100% interest in the Hawkins Love Project by issuing 150,000 common shares (issued) and paying a total of \$400,000 in cash and/or up to half of the amount in equivalent-value common shares over a 4-year period at the Company's option (of which \$100,000 has been paid through the issuance of 194,444 common shares and total cash payments of \$77,775). The number of shares are calculated by the 20-day volume weighted average price of the Company's common prior to the date of issuance. In December 2022, the Company and the optionor agreed to an amendment of the agreement, whereby the option term was extended to a 5-year period (with \$35,000 due in 2023, \$65,000 due in 2024, and \$200,000 due in 2025) and the Company would issue an additional 150,000 common shares, which were issued in November 2023. In December 2023, the Company decided to terminate the option agreement and return the property option to the optionor.

On June 10, 2024, the Company entered into an option agreement regarding the Great Northern and Viking Projects, with Gold Hunter Resources Inc. ("Gold Hunter") paying a total amount of \$9,500,000 in a combination of cash and Gold Hunter common shares over a two-year option period. The payment terms are \$75,000 in cash as an exclusivity payment (received in May 2024), \$300,000 in cash and \$1,000,000 in common shares upon closing of the agreement (received \$300,000 in cash and 7,042,253 common shares subsequent to May 31, 2024), \$450,000 in cash and \$2,750,000 in common shares on the first anniversary, and \$675,000 in cash and \$4,250,000 in common shares on the second anniversary of the effective date.

## **Santa Cruz**

The Santa Cruz projects consist of an exploration property portfolio in Santa Cruz, Argentina.

## **Magna Terra Minerals Inc.**

### **Notes to the Condensed Interim Consolidated Financial Statements**

**For the three and nine months ended May 31, 2024 and May 31, 2023**

**(Expressed in Canadian dollars unless otherwise noted)**

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The Piedra Negra, El Meridiano, Covadonga, and La Rosita projects are subject to an underlying option agreement with a private Argentine optionor pursuant to which Atala shall make a total of US\$300,000 in option payments over a 6-year period (US\$10,000 in 2022 (paid), US\$20,000 in 2023, US\$40,000 in 2024, US\$80,000 in 2025, and US\$150,000 in 2026). As at May 31, 2024 and the date of these condensed interim consolidated financial statements, the option payments due in 2023 and 2024 have not been paid. The Company and the optionor are negotiating the terms of the option agreement; however, there can be no assurance the renegotiation of the option agreement will be completed.

On June 9, 2020, Atala completed an agreement to option the Company's wholly owned Boleadora Group of properties ("Boleadora") to Oroplata S.A. ("Oroplata") a subsidiary of Newmont Corporation ("Newmont"). Newmont (Oroplata) will pay the Company US\$1 million as follows: US\$25,000 on signing (paid) and six installments totalling US\$975,000 within six years from the date of the Agreement (of which US\$325,000 has been paid; with US\$150,000 due in 2025, and US\$500,000 due in 2026).

#### **Noyell**

On April 12, 2019, the Company announced it entered into an option agreement regarding its Noyell Property in the district of Abitibi, Quebec, with Opus One Gold Corporation ("Opus") paying a total amount of \$500,000 in a combination of cash and/or common shares with the maximum number of common shares not to exceed 7,000,000. The payment terms were \$50,000 upon signing of the agreement (received 1,000,000 common shares), \$50,000 on the first (received 1,000,000 common shares and \$11,900), second (received 1,000,000 common shares), and third anniversaries of the effective date (received \$50,000), \$100,000 on the fourth anniversary of the effective date (received \$100,000), and \$200,000 on the fifth anniversary of the effective date (received \$200,000). In May 2022, the Company and Opus mutually agreed to a deferral of the third anniversary payment of \$50,000 to August 31, 2022, with Opus also issuing 100,000 common shares to the Company, which were received in November 2022 with a quoted market value of \$1,500. During the nine

## **Magna Terra Minerals Inc.**

Notes to the Condensed Interim Consolidated Financial Statements  
For the three and nine months ended May 31, 2024 and May 31, 2023  
(Expressed in Canadian dollars unless otherwise noted)

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### **6. SHAREHOLDERS' EQUITY**

#### **Issued Capital and Recent Issuances**

The Company's authorized share capital consists of an unlimited number of common shares. As at May 31, 2024, the Company had 83,117,865 (August 31, 2023 – 69,513,885) common shares outstanding.

On October 4, 2023, the Company completed the first closing of a non-brokered private placement totalling \$244,769. On November 8, 2023, the Company completed a second and final closing of \$80,100. The Company issued a total of 10,828,980 common shares at a price of \$0.03 per common share for total gross proceeds of \$324,869. Insiders of the Company participated in the first and second closing of the private placement by acquiring 7,178,980 common shares of the Company for total gross proceeds of \$215,369.

During the nine months ended May 31, 2024, the Company issued 2,775,000 common shares in connection with the acquisition of exploration and evaluation projects. The value of \$57,000 was based on the quoted market price of the Company's shares at the time of issuances.

During the year ended August 31, 2023, the Company issued 3,309,530 common shares in connection with the acquisition of exploration and evaluation projects. The value of \$132,381 was based on the quoted market price of the Company's shares at the time of issuances.

On June 2, 2022, the Company completed a non-brokered private placement of gross proceeds totalling \$858,000. The Company issued 4,450,000 flow-through units ("FT Units") at a price of \$0.14 per FT Unit, and 2,350,000 common share units ("Units") at a price of \$0.10 per Unit. Each FT Unit consisted of one flow-through common share of the Company and one-half of one common share purchase warrant and each Unit consisted of one common share and one-half of one common share purchase warrant, with each full warrant being exercisable for an additional common share of the Company at a price of \$0.15 for a period of 24 months from the date of issuance. In connection with the private placement, the Company paid \$19,600 in finder's fees and issued a total of 196,000 finder's warrants, with each finder's warrant exercisable at a price of \$0.15 for a period of 24 months from the date of issuance. An officer of the Company participated in the private placement by acquiring 1,400,000 Units of the Company for total gross proceeds of \$140,000.

A flow-through premium liability of \$169,169 was recorded upon closing, representing the difference between the market price of the Company's shares on June 2, 2022, the value of the warrants issued, and the cash consideration received in exchange for the FT Units. As at May 31, 2024, the Company derecognized a cumulative amount of \$169,169 of the flow-through premium liability and recognized a corresponding income amount (for the three and nine months ended May 31, 2024 – \$nil and \$29,687, respectively), representing the portion of the liability that had been fulfilled by incurring qualifying exploration expenditures.

#### **Warrants**

A summary of the Company's warrant activities for the nine months ended May 31, 2024 and the year ended August 31, 2023 is presented below:

## Magna Terra Minerals Inc.

Notes to the Condensed Interim Consolidated Financial Statements  
For the three and nine months ended May 31, 2024 and May 31, 2023  
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	Warrants #	Exercise price \$
<b>Balance, August 31, 2022</b>	<b>10,116,656</b>	<b>0.15</b>
Expired	(38,063)	0.15
<b>Balance, August 31, 2023</b>	<b>10,078,593</b>	<b>0.15</b>
Expired	(6,482,593)	0.15
<b>Balance, May 31, 2024</b>	<b>3,596,000</b>	<b>0.15</b>

The composition of the outstanding warrants as at May 31, 2024 consists of the following:

	Expiry date	Number #	Exercise price \$
Warrants	June 2, 2024	3,400,000	0.15
Finder's warrants	June 2, 2024	196,000	0.15
		<b>3,596,000</b>	<b>0.15</b>

During the nine months ended May 31, 2024, 6,482,593 warrants expired unexercised (year ended August 31, 2023 – 38,063). The corresponding grant date fair value of \$224,913 (year ended August 31, 2023 – \$6,349) was reclassified from warrants to accumulated deficit. Subsequent to May 31, 2024, 3,596,000 warrants expired unexercised.

### Share-based compensation

The Company adopted a fixed stock option plan (the "Plan") whereby the Board of Directors may grant to employees, officers, directors, management consultants and external consultants of the Company or of its subsidiary thereof, options to acquire common shares in such numbers, for such terms and at such exercise prices as may be determined by the Board. The exercise price of each option may not be lower than the market price of the common shares at the time of the grant of the options. The options vest at the date of the grant unless additional restrictions on the vesting of the options are imposed by the Board of Directors except for the consultants working in investor relations, whose options are vested in quarterly installments over a 12 month period from grant. The option period is a period of time fixed by the Board of Directors but cannot exceed 5 years.

As at May 31, 2024, the Company had 6,265,000 stock options outstanding and 3,510,000 stock options exercisable. The following summary sets out the activity in the Plan for the nine months ended May 31, 2024 and the year ended August 31, 2023:

	Options #	Exercise price \$
<b>Balance, August 31, 2022</b>	<b>3,101,429</b>	<b>0.22</b>
Granted	2,965,000	0.06
Expired/forfeited	(1,387,857)	0.21
<b>Balance, August 31, 2023</b>	<b>4,678,572</b>	<b>0.12</b>
Granted	1,825,000	0.05
Expired/forfeited	(238,572)	0.28
<b>Balance, May 31, 2024</b>	<b>6,265,000</b>	<b>0.09</b>
<b>Options exercisable, May 31, 2024</b>	<b>3,510,000</b>	<b>0.12</b>

## Magna Terra Minerals Inc.

### Notes to the Condensed Interim Consolidated Financial Statements For the three and nine months ended May 31, 2024 and May 31, 2023 (Expressed in Canadian dollars unless otherwise noted)

During the nine months ended May 31, 2024, 1,825,000 options were granted to officers, directors, and consultants to the Company at an exercise price of \$0.05 per share for a period of 5 years from issuance. The stock options vest over an 18-month period in 3 equal instalments.

During the year ended August 31, 2023, 2,965,000 options were granted to officers, directors, and consultants to the Company at an exercise price of \$0.055 per share for a period of 5 years from issuance. The stock options vest over an 18-month period in 3 equal instalments.

During the nine months ended May 31, 2024, 238,572 options expired unexercised or were forfeited. The corresponding grant date fair value of \$39,317 was reclassified from equity reserves to accumulated deficit.

During the year ended August 31, 2023, 1,387,857 options expired unexercised or were forfeited. The corresponding grant date fair value of \$197,876 was reclassified from equity reserves to accumulated deficit.

The options, when granted, are accounted for at their fair value determined by the Black-Scholes option pricing model based on the vesting period and on the assumptions below.

The following table sets out the details of the stock options granted and outstanding as at May 31, 2024. The weighted average exercise price for the outstanding stock options was \$0.09 as at May 31, 2024.

Date of grant	Expiry date	Remaining life	Number of options #	Exercise price \$
December 21, 2020	December 21, 2025	1.56 years	1,400,000	0.20
February 5, 2021	February 5, 2026	1.69 years	100,000	0.20
May 17, 2021	May 17, 2026	1.97 years	150,000	0.20
February 13, 2023	February 13, 2028	3.72 years	2,790,000	0.055
December 20, 2023	December 20, 2028	4.57 years	1,825,000	0.05
			<b>6,265,000</b>	<b>0.09</b>

The expected volatility is based on the historical volatility (based on the remaining life of the options).

The following table sets out the details of the valuation of stock option grants for the nine months ended May 31, 2024 and the year ended August 31, 2023:

Date of grant	Number of options	Risk-free interest rate	Exercise price	Expected dividend yield	Expected volatility	Expected life
February 13, 2023	2,965,000	3.27%	\$0.055	Nil	130%	5 years
December 20, 2023	1,825,000	3.18%	\$0.05	Nil	142%	5 years

Share-based compensation expense recognized in relation to stock options which vested during the three and nine months ended May 31, 2024 was \$22,127 and \$68,319, respectively (three and nine months ended May 31, 2023 – \$30,939 and \$38,061, respectively).

## Magna Terra Minerals Inc.

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### 7. GENERAL AND ADMINISTRATIVE

	For the three months ended		For the nine months ended	
	May 31, 2024	May 31, 2023	May 31, 2024	May 31, 2023
	\$	\$	\$	\$
Conferences and promotion	7,004	27,879	39,952	89,235
Shareholder services	4,769	6,471	23,941	23,807
Rent	7,500	7,500	22,500	27,500
Insurance	5,534	5,552	17,824	18,531
Listing fees	1,000	2,175	12,478	18,124
Office	1,826	5,127	6,810	10,611
Industry membership	-	1,155	-	2,045
	<b>27,633</b>	<b>55,859</b>	<b>123,505</b>	<b>189,853</b>

### 8. KEY MANAGEMENT COMPENSATION AND RELATED PARTY TRANSACTIONS

Key management personnel include the members of the Board of Directors, the President and Chief Executive Officer, and the Chief Financial Officer. Compensation of key management personnel was as follows for the three and nine months ended May 31, 2024 and May 31, 2023:

	For the three months ended		For the nine months ended	
	May 31, 2024	May 31, 2023	May 31, 2024	May 31, 2023
	\$	\$	\$	\$
Management fees	45,000	45,000	135,000	135,000
Share-based compensation	5,604	30,939	31,844	35,983
	<b>50,604</b>	<b>75,939</b>	<b>166,844</b>	<b>170,983</b>

As at May 31, 2024, included in due to related parties are outstanding management fees and management loans totaling \$363,850 (August 31, 2023 – \$272,300). The amounts are unsecured, non-interest bearing, and have no fixed terms of repayment.

On November 8, 2023, the Company closed a private placement of common shares and of the total \$324,869 proceeds, \$215,369 was subscribed for by Insiders of the Company through the subscription of 7,178,980 common shares.

### Signal Gold Inc.

The Company and Signal Gold have certain key management personnel in common. The Company and Signal Gold have entered into a service level agreement whereby Signal Gold provides certain services to the Company, including technical geology services, exploration program management, and corporate services. As at May 31, 2024, included in due to related parties is \$12,057 (August 31, 2023 – \$83,911) of amounts charged under the service level agreement. The amounts are unsecured, non-interest bearing, and have no fixed terms of repayment.

## Magna Terra Minerals Inc.

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### 9. FINANCIAL INSTRUMENTS

#### a) Fair value of financial instruments

The carrying value of cash, restricted cash, other receivables, trade and other payables, and due to related parties approximates fair value due to the short-term nature of these financial instruments.

As of May 31, 2024, except for short-term investments, none of the Company's financial instruments are recorded at fair value in the consolidated statements of financial position. Short-term investments are classified as level 1 fair value.

#### b) Risk management

##### Credit risk

Credit risk is the risk of loss associated with a counter-party's inability to fulfill its payment obligations. The Company is exposed to credit risk with respect to its cash. To minimize this risk, cash has been placed with major Canadian financial institutions.

##### Liquidity risk

Liquidity risk is the risk that the Company cannot meet a demand for cash or fund its obligations as they come due. The Company ensures that there is sufficient capital in order to meet annual business requirements, after taking into account administrative, property holding and exploration budgets, against cash and short-term investments. As at May 31, 2024, the Company has \$119,441 in cash and current liabilities of \$675,925. As the Company does not have operating cash flow, the Company has and will continue to rely primarily on equity financing to meet its capital requirements.

##### Currency risk

The Company operates in Canada and Argentina, and is therefore exposed to foreign exchange risk arising from transactions denominated in a foreign currency.

The operating results and the financial position of the Company are reported in Canadian dollars. The fluctuations of the operating currencies in relation to the Canadian dollar will consequently have an impact upon the reporting results of the Company and may also affect the value of the Company's assets and liabilities.

The following summarizes the Canadian dollar amount of assets and liabilities denominated in other currencies:

	<b>ARG \$</b>
Cash	<b>40,046</b>
Accounts payable	<b>(36,007)</b>
	<b>4,039</b>

Based on the foreign currency exposure noted above, a 1% change in the exchange rate against the Canadian dollar would result in an increase/decrease of \$40 in net income.

The Company has not entered into any agreements or purchased any instruments to hedge possible currency risks at this time.

## **Magna Terra Minerals Inc.**

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### **10. CAPITAL RISK MANAGEMENT**

The Company's objective when managing capital is to raise sufficient funds to execute its exploration plan and to meet its ongoing administrative costs. As at May 31, 2024, the Company's capital consists of equity, which is comprised of share capital, warrants, share based compensation, and deficit, in a deficiency of \$470,695 (August 31, 2023 – \$709,201).

The properties in which the Company currently has an interest are in the exploration stage; as such, the Company is dependent on external financing to fund its activities. In order to carry out the planned exploration and pay for administrative costs, the Company will spend its existing working capital and raise additional amounts as needed.

The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business. The Company does not have any externally imposed capital requirements or covenants.

The Company and its subsidiaries are not subject to externally imposed capital requirements other than the capital requirements of the TSX Venture Exchange which requires adequate working capital or financial resources of the greater of (i) \$50,000 and (ii) an amount required in order to maintain operations and cover general and administrative expenses for a period of 6 months. The impact of not meeting these requirements is at the discretion of the TSX Venture Exchange.

### **11. SEGMENT INFORMATION**

The Company operates in a single reportable operating segment, being the acquisition, exploration and retention of exploration and evaluation projects. Geographic segment information of the Company's exploration and evaluation expenditures for the three and nine months ended May 31, 2024 and May 31, 2023 are as described in note 3. As at May 31, 2024, cash of \$40,046 is held in Argentina (August 31, 2023 – \$68,059).

### **12. COMMITMENTS AND CONTINGENCIES**

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, social licensing requirements, unregistered prior agreements, unregistered claims, aboriginal claims, and non-compliance with regulatory, environmental and social requirements. The Company's exploration and evaluation projects may also be subject to increases in taxes and royalties, renegotiation of contracts, and political uncertainty.

The business of mining and exploring for minerals involves a high degree of risk and there can be no assurance that current exploration programs will result in profitable mining operations. The Company's continued existence is dependent upon the preservation of its interests in the underlying properties, the achievement of profitable operations, or the ability of the Company to raise additional financing, if necessary, or alternatively upon the Company's ability to dispose of its interests on an advantageous basis.

The Company also has royalty obligations to various vendors on its various mineral licences.

The Company's mining and exploration activities are subject to various laws and regulations governing the protection of the environment. These laws and regulations are continually changing and generally becoming more restrictive. The Company believes its operations are materially in compliance with all applicable laws and

## **Magna Terra Minerals Inc.**

### **Notes to the Condensed Interim Consolidated Financial Statements**

**For the three and nine months ended May 31, 2024 and May 31, 2023**

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regulations. The Company has made, and expects to make in the future, expenditures to comply with such laws and regulations.

As a result of the Company's flow-through financing in June 2022, the Company was committed to incur qualifying resource expenditures. An amount equal to the gross proceeds from the flow-through common shares, \$623,000, was renounced by the Company in favour of the purchasers of the flow-through common shares with an effective date of December 31, 2022, and the Company met all of its flow-through expenditure commitments before December 31, 2023.

In connection with the Company's flow-through financings, the Company indemnifies the subscribers against certain tax related amounts that may become payable by the subscribers should the Company not meet its flow-through expenditure commitments.

### **13. SUBSEQUENT EVENTS**

On June 10, 2024, the Company entered into an option agreement regarding the Great Northern and Viking Projects, with Gold Hunter Resources Inc. ("Gold Hunter") paying a total amount of \$9,500,000 in a combination of cash and Gold Hunter common shares over a two-year option period. The payment terms are \$75,000 in cash as an exclusivity payment (received in May 2024), \$300,000 in cash and \$1,000,000 in common shares upon signing of the agreement (received \$300,000 in cash and 7,042,253 common shares subsequent to May 31, 2024), \$450,000 in cash and \$2,750,000 in common shares on the first anniversary, and \$675,000 in cash and \$4,250,000 in common shares on the second anniversary of the effective date.