
CONIAGAS BATTERY METALS INC.
CONDENSED INTERIM FINANCIAL STATEMENTS
THREE MONTHS ENDED MARCH 31, 2024
(EXPRESSED IN CANADIAN DOLLARS)
(UNAUDITED)

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

	As at March 31, 2024	As at December 31, 2023
ASSETS		
Current assets		
Cash	\$ 153,278	\$ -
Amounts receivable	29,646	-
Prepaid expenses	301,500	-
Due from related parties (note 7)	118,042	-
Total assets	\$ 602,466	\$ -
LIABILITIES AND EQUITY		
Current liabilities		
Trade payables and accrued liabilities	\$ 80,981	\$ 426,585
Total liabilities	80,981	426,585
Shareholders' equity (deficiency)		
Share capital (note 4)	7,767,086	-
Warrants	1,696,479	-
Owner's investment	-	7,044,355
Deficit	(8,942,080)	(7,470,940)
Total equity (deficiency)	521,485	(426,585)
Total liabilities and equity (deficiency)	\$ 602,466	\$ -

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

Nature of business and going concern (note 1)
 Commitments and contingencies (note 9)

Approved on behalf of the Board:

(Signed) "Frank Basa" _____ Director

(Signed) "Aurelian Basa" _____ Director

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

	Three Months Ended March 31, 2024	Three Months Ended March 31, 2023
Expenses		
Exploration and evaluation expenditures (notes 6 and 7)	\$ 10,667	\$ 35,765
Professional fees	40,681	3,202
Admin and general expenses	19,151	860
Filing costs	11,941	2,736
Marketing and communications	34,984	710
Consulting and professional fees (note 7)	13,101	6,807
Salaries and wages	787	4,030
Travel, lodging and food	-	1,643
Loss before other items	(131,312)	(55,753)
Other items		
Listing expense (note 3)	(1,339,828)	-
Net loss and comprehensive loss for the period	\$ (1,471,140)	\$ (55,753)
Basic and diluted net comprehensive loss per share (note 8)	\$ (0.05)	N/A
Weighted average number of common shares outstanding		
- basic and diluted (note 8)	30,250,010	N/A

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

Coniagas Battery Metals Inc.**Condensed Interim Statements of Changes in Shareholders' Equity (Deficiency)****(Expressed in Canadian Dollars)****Unaudited**

	<u>Share capital</u>					
	<u>Number of shares</u>	<u>Amount</u>	<u>Warrants</u>	<u>Owner's investment</u>	<u>Deficit</u>	<u>Total</u>
Balance, December 31, 2022	-	\$ -	\$ -	\$ 6,730,668	\$ (7,183,373)	\$ (452,705)
Owner's contribution	-	-	-	148,097	-	148,097
Net loss and comprehensive loss for the period	-	-	-	-	(55,753)	(55,753)
Balance, March 31, 2023	-	\$ -	\$ -	\$ 6,878,765	\$ (7,239,126)	\$ (360,361)
Balance, December 31, 2023	-	\$ -	\$ -	\$ 7,044,355	\$ (7,470,940)	\$ (426,585)
Owner's contribution	-	-	-	16,968	-	16,968
Recognition of Arrangement	24,000,000	6,160,836	1,335,729	(7,061,323)	-	435,242
Considerations issued in Arrangement	6,250,000	1,606,250	360,750	-	-	1,967,000
Net loss and comprehensive loss for the period	-	-	-	-	(1,471,140)	(1,471,140)
Balance, March 31, 2024	30,250,000	\$ 7,767,086	\$ 1,696,479	\$ -	\$ (8,942,080)	\$ 521,485

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

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

	Three Months Ended March 31, 2024	Three Months Ended March 31, 2023
Operating activities		
Net loss and comprehensive loss for the period	\$ (1,471,140)	\$ (55,753)
Adjustments for:		
Listing expense	1,339,828	-
Changes in non-cash working capital items:		
Amounts receivable	67,504	-
Prepaid expenses	10,667	-
Trade payables and accrued liabilities	(62,977)	(92,344)
Net cash used in operating activities	(116,118)	(148,097)
Investing activities		
Cash received from Arrangement	370,470	-
Net cash provided by investing activities	370,470	-
Financing activities		
Owner's contribution	16,968	148,097
Advances to related parties	(118,042)	-
Net cash (used in) provided by financing activities	(101,074)	148,097
Net change in cash	153,278	-
Cash, beginning of period	-	-
Cash, end of period	\$ 153,278	\$ -

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

Coniagas Battery Metals Inc.

Notes to Condensed Interim Financial Statements

Three Months Ended March 31, 2024

(Expressed in Canadian Dollars)

Unaudited

1. Nature of business and going concern

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

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

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

Arrangement

On February 29, 2024 (the "Arrangement Date"), the Company and the carve-out entity of Graal Property (the "Carve-out Entity") finalized a reverse takeover transaction whereby Nord, the former owners of the Carve-out Entity, received 24,000,000 common shares and 12,000,000 warrants of the Company for their 100% interest in the Carve-out Entity (the "Arrangement"). The Carve-out Entity represents the operational efforts towards the Graal Property in accordance with existing option agreements (see note 6). The 24,000,000 common shares received by Nord comprised 79% of the issued and outstanding common shares of the Company on the date of Arrangement, and the management of the Carve-out Entity continued as management of the Company. The Arrangement constitutes a "qualifying transaction" under securities law. Pursuant to the Arrangement, the Company became the owner of the Carve-out Entity, but the change in control of the Company by Nord (and related reverse takeover accounting guidance under International Financial Reporting Standards - see note 3) resulted in the Carve-out Entity continuing as the ongoing reporting entity (combining the Company's results into the Carve-out Entity from the Arrangement Date), with comparative financial information only of the Carve-out Entity. The equity component of the Carve-out Entity includes advances from the parent and net losses incurred and is referred to as "owner's investment". On recognition of the Arrangement, the owner's investment was allocated to share capital, as applicable (note 3).

Going concern

As at March 31, 2024, the Company had current assets \$602,466 (December 31, 2023 - \$nil) to fund current liabilities of \$80,981 (December 31, 2023 - \$426,585). Further, the Company had an accumulated deficit of \$8,942,080 as of March 31, 2024 (December 31, 2023 - \$7,470,940) and working capital of \$521,485 (December 31, 2023 - working capital deficit of \$426,585).

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

Coniagas Battery Metals Inc.
Notes to Condensed Interim Financial Statements
Three Months Ended March 31, 2024
(Expressed in Canadian Dollars)
Unaudited

2. Significant accounting policies

Statement of compliance

The Company applies International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and interpretations issued by the International Financial Reporting Interpretations Committee ("IFRIC"). These unaudited condensed interim financial statements have been prepared in accordance with International Accounting Standard 34, Interim Financial Reporting. Accordingly, they do not include all of the information required for full annual financial statements required by IFRS as issued by IASB and interpretations issued by IFRIC.

The policies applied in these unaudited condensed interim financial statements are based on IFRSs issued and outstanding as of May 30, 2024, the date the Board of Directors approved the statements. The same accounting policies and methods of computation are followed in these unaudited condensed interim financial statements as compared with the most recent annual financial statements as at and for the year ended December 31, 2023. Any subsequent changes to IFRS that are given effect in the Company's annual financial statements for the year ending December 31, 2024 could result in restatement of these unaudited condensed interim financial statements.

3. Reverse takeover

On the Arrangement Date, Coniagas was not considered a business under IFRS 3, as it did not have inputs and substantive processes that could collectively contribute to the creation of outputs. As a result, the Arrangement was considered to be within the scope of IFRS 2 – Share-Based Payments and for accounting purposes (considering the change of control, see note 1), the Arrangement was accounted for as a reverse takeover transaction ("RTO"), with the Carve-out Entity identified as the accounting acquirer, and Coniagas identified as the accounting acquiree. These unaudited condensed interim financial statements are issued under the legal parent, Coniagas Battery Metals Inc., but are considered to be a continuation of the financial results of the Carve-out Entity.

At the Arrangement Date, the RTO was recorded as follows:

Fair value of considerations issued

6,250,000 common shares (valued at \$0.257 per share, see note 4(ii))	\$ 1,606,250
3,250,000 warrants (valued at \$0.111 per warrant, see note 5(i))	360,750
	\$ 1,967,000

Net identifiable assets (liabilities) acquired

Cash	\$ 370,470
Amounts receivable	97,150
Prepaid expenses	312,167
Trade payables and accrued liabilities	(152,615)
Net identifiable assets acquired	627,172
Listing expense	1,339,828
	\$ 1,967,000

The considerations comprise of 6,250,000 common shares and 3,250,000 warrants maintained by the original shareholders of the Company as consideration for its public listing with a fair value totaling \$1,967,000 (see notes 4 and 5).

Coniagas Battery Metals Inc.
Notes to Condensed Interim Financial Statements
Three Months Ended March 31, 2024
(Expressed in Canadian Dollars)
Unaudited

4. Share capital

Authorized share capital

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

Issued

	Number of shares	Share capital
Balance, December 31, 2022, March 31, 2023 and December 31, 2023	-	\$ -
Recognition of Arrangement ((i) and note 1)	24,000,000	6,160,836
Consideration issued in Arrangement ((ii) and note 3)	6,250,000	1,606,250
Balance, March 31, 2024	30,250,000	\$ 7,767,086

- (i) Pursuant to the Arrangement, the Company issued 24,000,000 common shares (valued at \$6,160,836 or \$0.257 per share) and 12,000,000 warrants (valued at \$1,335,729 or \$0.111 per warrant) based on the historical cost base of the owner's investment in the Carve-out Entity, adjusted for any liabilities assumed by the former owner of the Carve-out Entity on the Arrangement Date. Each warrant entitles its holder to purchase one additional common share of the Company at a price of \$0.40 for 2 years from the respective dates of distribution to the shareholders of Nord.

The 12,000,000 warrants were assigned a value of \$1,335,729 as estimated using the Black-Scholes model under the following assumptions: share price - \$0.26, risk-free rate - 4.18%, expected dividend yield - 0%, expected stock volatility - 100%, and expected life - 2 years.

- (ii) The Company also maintained 6,250,000 common shares held by the original shareholders of the Company (see note 3). The fair value of the consideration shares were determined to be \$1,606,250 at \$0.257 per share.

5. Warrants

	Number of warrants	Weighted average exercise price
Balance, December 31, 2022, March 31, 2023 and December 31, 2023	-	\$ -
Recognition of Arrangement (notes 1 and 4(i))	12,000,000	0.40
Consideration issued in Arrangement ((i) and note 3)	3,250,000	0.40
Balance, March 31, 2024	15,250,000	\$ 0.40

- (i) The Company maintained 3,250,000 common shares held by the original shareholders of the Company (see note 3). Each warrant entitles its holder to purchase one additional common share of the Company at a price of \$0.40 until February 22, 2026. The fair value of the consideration warrants were determined to be \$360,750 at \$0.111 per warrant (see note 4(i)).

Coniagas Battery Metals Inc.
Notes to Condensed Interim Financial Statements
Three Months Ended March 31, 2024
(Expressed in Canadian Dollars)
Unaudited

5. Warrants (continued)

The following table reflects the warrants issued and outstanding as of March 31, 2024:

Expiry date	Exercise price (\$)	Warrants outstanding
(ii)	0.40	12,000,000
February 22, 2026	0.40	3,250,000
	0.40	15,250,000

(ii) The warrants expire 2 years from the respective dates of distribution to the shareholders of Nord.

6. Exploration and evaluation projects

Graal Property, Quebec

As a result of the Arrangement (see note 1), the Company acquired a 100% interest in the Graal Property. The property consists of various claims in Quebec.

Lac Suzanne Property

In February 2021, Nord, the former owners of the Carve-out Entity, acquired a 100% interest in the Lac Suzanne Property, located in Northern Lac St-Jean, Quebec. In consideration for the 100% interest,

- An aggregate cash payment of \$52,500 was made to the vendor; and
- An aggregate exploration expenditures of \$200,000 was incurred on the property.

The property is subject to 2% Gross Metal Royalty.

Chute-des-Passes Property

In November 2021, Nord acquired a 100% ownership of the Chute-des-Passes Property claims from SOQUEM Inc. ("SOQUEM") (50% ownership) and Mines Coulon Inc. ("Mines Coulon") (50% ownership). In consideration for the 100% ownership, Nord made cash payments totalling \$10,000 and each vendor retained an NSR.

In consideration for the purchase of its interest in the Chute-des-Passes Property, SOQUEM has the right to receive a royalty of 0.5% each of the NSR on the Chute-des-Passes Property, half of which is redeemable for an amount of \$125,000. In return for the transfer of its interest in the Chute-des-Passes Property, Mines Coulon has the right to receive a royalty of 0.5% of the NSR on the Chute-des-Passes Property, half of which is redeemable for an amount of \$125,000.

There is also an existing NSR of 1%, of which 0.5% is redeemable for \$500,000. The total NSR on the property is 2% where 1% is redeemable for the sum of \$750,000.

Coniagas Battery Metals Inc.
Notes to Condensed Interim Financial Statements
Three Months Ended March 31, 2024
(Expressed in Canadian Dollars)
Unaudited

6. Exploration and evaluation projects (continued)

The following table shows exploration and evaluation expenses incurred on the properties

	Three Months Ended March 31, 2024	Three Months Ended March 31, 2023
Acquisition costs	\$ -	\$ 2,827
Assay and testing	1,250	-
Drilling	-	148
Facility expenses	-	840
Consulting and professional fees	9,417	18,987
Geology, geophysics and surveys	-	12,193
Labour	-	770
Total	\$ 10,667	\$ 35,765

7. Related party transactions

The Company has entered into agreements with officers of the Company and private companies controlled by officers and directors of the Company for management consulting, geological consulting and other services required by the Company.

In accordance with IAS 24, key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company directly or indirectly, including any directors (executive and non-executive) of the Company.

The remuneration of officers and directors of the Company for the three months ended March 31, 2024 was \$nil (2023 - \$29,783). For the three months ended March 31, 2024, \$nil (2023 - \$12,900) was included in exploration and evaluation expenses on the Company's unaudited condensed interim statements of loss and comprehensive loss.

As at March 31, 2024, the Company paid a drilling deposit of \$150,000 to a company in which a director of the Company is a co-owner.

As at March 31, 2024, the Company advanced a total of \$118,042 to companies with common officers and directors. The advance is unsecured, non-interest bearing with no fixed terms of repayment.

8. Loss per share

- (i) The basic and diluted weighted average number of common shares is from the Arrangement Date (see note 1). \$1,445,515 of the \$1,471,140 net loss for the period ended March 31, 2024 related to the period post Arrangement
- (ii) The comparative period relate to the Carve-out Entity which was not an incorporated entity and therefore the loss per share information for the period prior to the reverse takeover transaction on February 29, 2024 (see note 1) is not applicable as the Carve-out Entity had no outstanding shares.

Coniagas Battery Metals Inc.
Notes to Condensed Interim Financial Statements
Three Months Ended March 31, 2024
(Expressed in Canadian Dollars)
Unaudited

9. Commitments and contingencies

Environmental contingencies

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