
CONIAGAS BATTERY METALS INC.
CONDENSED INTERIM FINANCIAL STATEMENTS
THREE AND SIX MONTHS ENDED
JUNE 30, 2024
(EXPRESSED IN CANADIAN DOLLARS)
(UNAUDITED)

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

	As at June 30, 2024	As at December 31, 2023
ASSETS		
Current assets		
Cash	\$ 1,953	\$ -
Amounts receivable	42,695	-
Prepaid expenses (note 7)	269,500	-
Due from related parties (note 7)	174,398	-
Total assets	\$ 488,546	\$ -
LIABILITIES AND EQUITY		
Current liabilities		
Trade payables and accrued liabilities	\$ 131,792	\$ 426,585
Total liabilities	131,792	426,585
Shareholders' equity (deficiency)		
Share capital (note 4)	7,767,086	-
Warrants	1,696,479	-
Owner's investment	-	7,044,355
Deficit	(9,106,811)	(7,470,940)
Total equity (deficiency)	356,754	(426,585)
Total liabilities and equity (deficiency)	\$ 488,546	\$ -

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 June 30, 2024	Three Months Ended June 30, 2023	Six Months Ended June 30, 2024	Six Months Ended June 30, 2023
Expenses				
Exploration and evaluation expenditures (notes 6 and 7)	\$ 13,212	\$ 42,591	\$ 23,879	\$ 78,356
Professional fees	52,419	5,439	93,100	8,641
Admin and general expenses	38,889	563	58,040	1,423
Filing costs	21,539	9,937	33,480	12,673
Marketing and communications	35,923	449	70,907	1,159
Consulting and professional fees (note 7)	-	28,995	13,101	35,802
Salaries and wages	-	1,619	787	5,649
Travel, lodging and food	2,749	2,054	2,749	3,697
Loss before other items	(164,731)	(91,647)	(296,043)	(147,400)
Other items				
Listing expense (note 3)	-	-	(1,339,828)	-
Net loss and comprehensive loss for the period	\$ (164,731)	\$ (91,647)	\$ (1,635,871)	\$ (147,400)
Basic and diluted net comprehensive loss				
per share (note 8)	\$ (0.01)	N/A	\$ (0.05)	N/A
Weighted average number of common shares outstanding				
- basic and diluted (note 8)	30,250,010	N/A	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	-	-	-	59,072	-	59,072
Net loss and comprehensive loss for the period	-	-	-	-	(147,400)	(147,400)
Balance, June 30, 2023	-	\$ -	\$ -	\$ 6,789,740	\$ (7,330,773)	\$ (541,033)
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	-	-	-	-	(1,635,871)	(1,635,871)
Balance, June 30, 2024	30,250,000	\$ 7,767,086	\$ 1,696,479	\$ -	\$ (9,106,811)	\$ 356,754

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

	Six Months Ended June 30, 2024	Six Months Ended June 30, 2023
Operating activities		
Net loss and comprehensive loss for the period	\$ (1,635,871)	\$ (147,400)
Adjustments for:		
Listing expense	1,339,828	-
Changes in non-cash working capital items:		
Amounts receivable	54,455	-
Prepaid expenses	42,667	-
Trade payables and accrued liabilities	(12,166)	88,328
Net cash used in operating activities	(211,087)	(59,072)
Investing activities		
Cash received from Arrangement	370,470	-
Net cash provided by investing activities	370,470	-
Financing activities		
Owner's contribution	16,968	59,072
Advances to related parties	(174,398)	-
Net cash (used in) provided by financing activities	(157,430)	59,072
Net change in cash	1,953	-
Cash, beginning of period	-	-
Cash, end of period	\$ 1,953	\$ -

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 and Six Months Ended June 30, 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 June 30, 2024, the Company had current assets \$488,546 (December 31, 2023 - \$nil) to fund current liabilities of \$131,792 (December 31, 2023 - \$426,585). Further, the Company had an accumulated deficit of \$9,106,811 as of June 30, 2024 (December 31, 2023 - \$7,470,940) and working capital of \$356,754 (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 and Six Months Ended June 30, 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 August 29, 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 and Six Months Ended June 30, 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, June 30, 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, June 30, 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, June 30, 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, June 30, 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 and Six Months Ended June 30, 2024
(Expressed in Canadian Dollars)
Unaudited

5. Warrants (continued)

The following table reflects the warrants issued and outstanding as of June 30, 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
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(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 June 30, 2024	Three Months Ended June 30, 2023	Six Months Ended June 30, 2024	Six Months Ended June 30, 2023
Acquisition costs	\$ -	\$ 1,500	\$ -	\$ 4,327
Assay and testing	-	-	1,250	-
Drilling	-	16,019	-	16,167
Facility expenses	-	3,566	-	4,406
Consulting and professional fees	13,212	2,946	22,629	21,933
Geology, geophysics and surveys	-	18,560	-	30,753
Labour	-	-	-	770
Total	\$ 13,212	\$ 42,591	\$ 23,879	\$ 78,356

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 and six months ended June 30, 2024 was \$12,437 and \$12,437, respectively (2023 - \$13,277 and \$43,060, respectively). For the three and six months ended June 30, 2024, \$nil and \$nil, respectively (2023 - \$14,600 and \$27,500, respectively) was included in exploration and evaluation expenses on the Company's unaudited condensed interim statements of loss and comprehensive loss.

As at June 30, 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 June 30, 2024, the Company advanced a total of \$174,398 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). \$1,610,246 of the \$1,635,871 net loss for the period ended June 30, 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.
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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.

10. Proposed transaction

On June 28, 2024, the Company announced that it will effect a non-brokered private placement of a maximum of 5,000,000 units at a price of \$0.12 per unit for maximum gross proceeds of \$600,000. Each unit will be comprised of one common share and one-half of a common share purchase warrant. Each full warrant will entitle the holder thereof to purchase one additional common share at a price of \$0.15 per share for 2 years from the date of issuance. The Company expects to close the private placement by August 30, 2024.