

Emergent Metals Corp.

An Exploration Stage Company

Condensed Interim Consolidated Financial Statements

For the 3 month period ended 31 March 2024

Stated in US Dollars

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Management's Responsibility

To the Shareholders of Emergent Metals Corp.:

Management is responsible for the preparation and presentation of the accompanying Emergent Metals Corp. financial statements, including responsibility for significant accounting judgments and estimates in accordance with International Financial Reporting Standards. This responsibility includes selecting appropriate accounting principles and methods, and making decisions affecting the measurement of transactions in which objective judgment is required.

In discharging its responsibilities for the integrity and fairness of the financial statements, management designs and maintains the necessary accounting systems and related internal controls to provide reasonable assurance that transactions are authorized, assets are safeguarded, and financial records are properly maintained to provide reliable information for the preparation of financial statements.

The Board of Directors is responsible for overseeing management in the performance of its financial reporting responsibilities, and for approving the financial information presented. The Board fulfils these responsibilities by reviewing the financial information prepared by management and discussing relevant matters with management and the external auditors. The Audit Committee has the responsibility of meeting with management, and the external auditors to discuss the internal controls over the financial reporting process, auditing matters and financial reporting issues. The Board is also responsible for recommending the appointment of the Company's external auditors.

We draw attention to Note 1 in the consolidated financial statements which indicates the existence of a material uncertainty that may cast significant doubt on the Company's ability to continue as a going concern.

"David Watkinson"

David Watkinson, CEO

"Grant T. Smith"

Grant T. Smith, CFO

US Dollars
Unaudited

CONDENSED INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Note	As at	
		31 Mar 2024	31 Dec 2023
Assets			
Current Assets			
Cash and cash equivalents		\$ 187,126	\$ 224,525
Amounts receivable	6)	89,077	87,754
Prepaid amounts and deposits		37,482	45,019
		313,685	357,298
Non-current Assets			
Exploration and evaluation assets ("E&E")	8)	2,355,498	2,522,590
Equipment	7)	35,357	37,242
Right of use asset		-	966
		2,390,855	2,560,798
		\$ 2,704,540	\$ 2,918,096
Liabilities			
Current Liabilities			
Accounts payable and accrued liabilities		\$ 1,251,471	\$ 1,336,717
Due to related parties	9)	281,017	233,038
Flow-through share premium liability	10)	85,609	87,787
Warrant liability		37,817	247,422
Short term debt		26,996	26,603
		1,682,910	1,931,567
Equity			
Share capital	10)	49,111,305	49,111,305
Option reserve	10)	8,058,197	8,050,806
Warrant reserve	10)	1,026,749	1,026,749
Deficit		(57,174,621)	(57,202,331)
		1,021,630	986,529
		\$ 2,704,540	\$ 2,918,096

Nature of operations and going concern 1) Capital management 12)
Basis of Preparation - Statement of Compliance 2)

These financial statements were approved and authorized for issuance on behalf of the Board of Directors on 24 May 2024.

"David Watkinson"
David Watkinson, Director

"Andrew MacRitchie"
Andrew MacRitchie, Director

US Dollars
Unaudited

CONDENSED INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE LOSS

		3 Months Ended	3 Months ended
	Note	31 Mar 2024	31 Mar 2023
Expenses			
Exploration and Evaluation			
Surface exploration		\$ 16,636	\$ 100,050
Claim maintenance		5,951	42,232
Reporting		31,046	773
		53,633	143,055
General and Administrative			
Professional fees		65,615	32,596
Management and consulting		45,037	45,753
Insurance		13,587	8,284
Share-based compensation		7,391	51,986
Travel		3,896	6,654
Amortization of tangible assets	7)	1,885	2,391
Shareholder communications		954	73,407
Rent		(43)	2,468
Bank charges and interest		(167)	345
Listing and filing fees		(690)	16,066
Office		(8,613)	5,528
Depreciation of right of use asset		-	3,547
		128,852	249,025
Net Loss before Other Items		182,485	392,080
Other Items – Expense (Income)			
Gain on debt settlement		4,480	-
Lease liability accretion		966	560
Foreign exchange		(6,056)	45,333
Fair value change for warrant liability	12)	(209,585)	(627,191)
Amortization of flow-through liability	10)	-	(7,552)
Loss on sale of securities		-	64,047
Fair value change on securities		-	(25,493)
		(210,195)	(550,296)
(Income) & Comprehensive (Income)		\$ (27,710)	\$ (158,216)
Basic and diluted loss per share		\$ 0.00	\$ 0.01
Weighted average number of shares outstanding		32,108,670	27,186,448

US Dollars

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CONDENSED INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Shares Outstanding #	Share Amount \$	Warrants Reserve \$	Options Reserve \$	Deficit \$	Shareholders' Equity \$
Balance 01 Jan 2023	27,170,337	48,838,993	1,014,788	7,865,859	(56,376,080)	1,343,560
Exercise of warrants	25,000	2,816	-	-	-	2,816
Stock-based compensation	-	-	-	51,986	-	51,986
Loss & comprehensive loss	-	-	-	-	158,216	158,216
Balance 31 Mar 2023	27,195,337	48,841,809	1,014,788	7,917,845	(56,217,864)	1,556,578
Balance 01 Jan 2024	32,108,670	49,111,305	1,026,749	8,050,806	(57,202,331)	986,529
Stock-based compensation	-	-	-	7,391	-	7,391
Loss & comprehensive loss	-	-	-	-	27,710	27,710
Balance 31 Mar 2024	32,108,670	49,111,305	1,026,749	8,058,197	(57,174,621)	1,021,630

US Dollars
Unaudited

CONDENSED INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS

	3 Months Ended	3 Months ended
	31 Mar 2024	31 Mar 2023
Operating Activities		
Net Income for the year	\$ 27,710	\$ 158,216
Items not affecting cash		
Amortization of equipment	1,885	2,391
Depreciation of right-of-use asset	946	3,547
Lease liability accretion	-	560
Unrealized foreign exchange	(21,605)	309
Fair value adjustment for securities	-	(25,493)
Gain on debt settlement	4,480	-
Loss on disposition of marketable securities	-	64,047
Amortization of premium share flow through liability	-	(7,552)
Stock-based compensation	7,391	51,986
Fair value adjustment warrant liability	(209,605)	(627,191)
	(216,508)	(537,396)
Net change in non-cash working capital		
Amounts receivable	197	3,098
Prepays amounts and other assets	7,537	58,114
Accounts payable & accrued liabilities	(71,646)	(422,193)
Due from related parties	48,219	(65,577)
	15,693	(426,558)
	204,941	(805,738)
Investing Activities		
Proceeds from sale of mineral properties	300,000	-
Royalty payments received	-	-
Sale of marketable securities	-	132,522
Acquisition of exploration assets	(132,908)	(387)
	167,092	132,135
Financing Activities		
Lease payment	-	(4,527)
Collection of subscription receivable	-	73,833
Net proceeds from private placement	-	2,816
	-	72,122
Net Increase (decrease) in Cash	(37,399)	(601,481)
Exchange diff in cash	-	(158)
Cash position – beginning of year	224,525	688,124
Cash Position – End of Year	\$ 187,126	\$ 86,485

EMERGENT METALS CORP.

For the Three Months ended 31 March 2024

US Dollars

Unaudited

NOTES TO CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

1) Nature of operations and going concern

Emergent Metals Corp. (the “Company” or “Emergent”) The Company was incorporated on 17 March 1989 under the British Columbia Corporations Act and the principal place of business is located at 1010 - 789 West Pender Street, Vancouver, British Columbia, V6C 1H2. The Company’s business model is to acquire, explore, and divest of mineral property interests (an A&D model) with the goal of creating value for our shareholders. Acquisitions or divestitures could be purchase or sale of assets, option or joint venture of assets, royalty transaction, or other business transactions that are a fit for a specific asset. The Company’s shares are traded on the TSX Venture Exchange (“TSX-V”) under the symbol EMR, the OTC Market under the symbol EGMCF, and the Frankfurt (“FRA”) and Berlin (“BSE”) Stock Exchanges under the symbol EMLM.

These condensed interim consolidated financial statements (the “Financial Statements”) have been prepared on the basis of the accounting principles applicable to a going concern, which assumes the Company’s ability to continue in operation for at least twelve months from 31 March 2024 and to realize its assets and discharge its liabilities in the normal course of operations.

The Company is currently unable to self-finance 100% of its planned operations for the 2024 fiscal year and has on- going cash needs to meet its overhead requirements, maintain its exploration assets, and complete planned exploration activities. The generation of revenue from exploration assets is dependent upon several factors, which include the discovery and/or expansion of mineral resources or reserves on each of its properties, the ability of the Emergent to obtain the necessary financing to advance exploration on these properties, the ability to make property, advance royalty, or claim maintenance payments to hold these properties, or the completion of transactions with third parties that generate revenue in the short and long term. The generation of cash inflow from equity financings is dependent upon several factors including the price of gold, and other impacts to financial markets that are beyond Emergent’s control.

As at 31 March 2024, the Company had the following negative indicators.

Rounded to 000’s	31 Mar 2024	31 Dec 2023
Working capital	\$ (1,369,000)	\$ (1,155,000)
Accumulated deficit	\$ (57,175,000)	\$ (56,218,000)

Emergent expects to incur further loss in the development of its business. For the Company to continue to operate as a going concern it must obtain additional financing; there can be no assurance that this will continue in the future. As a result, there is a material uncertainty that may cast significant doubt about the Company’s ability to continue as a going concern.

If the going concern assumption were not appropriate for these consolidated financial statements, adjustments would be necessary to the carrying value of assets and liabilities, the reported expenses and the consolidated statement of financial position classifications used. Such adjustments could be material.

2) Basis of preparation – Statement of Compliance

a) Statement of compliance

These Financial Statements, including comparatives, have been prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”) applicable to the preparation of the interim financial statements, including International Accounting Standard 34, Interim Financial Reporting. As a result, they do not conform in all respects with the disclosure requirements for annual financial statements under IFRS and should be read in conjunction with the Company’s audited consolidated financial statements for the year ended 31 December 2023 [SEDAR+](#) Basis of measurement

3) Summary of significant accounting policies

The accounting policies, sources of estimation uncertainty, critical accounting judgements and methods of computation followed in preparing these Financial Statements are the same as those followed in preparing the most recent audited annual consolidated financial statements. For a complete summary of significant accounting policies, please refer to the Company’s audited annual consolidated financial statements for the year ended 31 December 2023. [SEDAR+](#)

EMERGENT METALS CORP.

For the Three Months Ended 31 March 2024

US Dollars

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NOTES TO CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

4) Critical accounting judgement and key sources estimation uncertainty

In the application of the Company's accounting policies management is required to make judgments, estimates and assumptions about the carrying amount and classification of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revisions affect only that period, or in the period of the revision and future periods, if the revision affects both current and future periods.

The following are the critical judgments and areas involving estimates, that management have made in the process of applying the Company's accounting policies and that have the most significant effect on the amount recognized in the consolidated financial statements.

a) Critical judgments in applying accounting policies

Going concern assumption

These consolidated financial statements have been prepared on the basis of the accounting principles applicable to a going concern, which assumes the Company's ability to continue in operation for the foreseeable future and to realize its assets and discharge its liabilities in the normal course of operations. There are several adverse conditions that cast substantial doubt upon the soundness of this assumption. (Note 1)

Determination of functional currency

In accordance with IAS 21, *The Effects of Changes in Foreign Exchange Rates*, management determined that the functional currency of the Company and its wholly owned subsidiaries is the US dollar. The assessment of the Company's functional currency and the functional currency of its subsidiaries involves judgment regarding the primary economic environment the Company and its subsidiaries operate in.

Exploration and evaluation assets

The Company makes certain judgements and assumptions regarding indicators of impairment and the recoverability of the carrying values of exploration and evaluation assets. Management has assessed for impairment indicators for the Company's properties and has concluded that no indicators of impairment as at 31 March 2023.

In addition, Management has exercised significant judgement in assessing whether the Company has sufficient financial resources to incur qualified exploration and evaluation expenditures to meet its obligations related to the issuance of flow-through shares.

b) Key sources of estimation uncertainty

Fair value of warrants derivative

The Company has determined that its functional currency is the US dollar and has issued warrants with exercise price fixed in Canadian Dollar. The Company measures the cost of the warrants derivative by reference to the fair value on the grant date and revalues them at each reporting date. In determining the fair value of the warrants, the Company used the Black-Scholes option pricing model with the following assumptions: average volatility rate; market price at the reporting date; risk-free interest rate; the remaining expected life of the warrant and an exchange rate at the reporting date. The inputs used in the Black-Scholes model are taken from observable markets.

Changes to assumptions used can affect the amounts recognized in the consolidated financial statements.

5) Financial instruments and risk management

The financial statements do not include all financial risk management information and disclosures required in the annual financial statements. They should be read in conjunction with the Company's audited consolidated financial statements for the year ended 31 December 2023.

There have been no changes in the risk management department or in any risk management policies since the year end.

EMERGENT METALS CORP.

For the Three Months Ended 31 March 2023

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**6) Amounts receivable**

The Company's receivables arise from other receivable and goods and services tax from government taxation authority as follows:

Amounts receivable rounded 000'S	31 Mar 2024	31 Dec 2023
Goods and service tax	\$ 56,000	\$ 54,000
Other receivables	33,000	34,000
	\$ 89,000	\$ 88,000

7) Equipment

	Equipment	Computer	Vehicle	Total
Cost				
Balance: 01 Jan 2023, 31 Dec 2023 & 31 Mar 2024	\$ 58,785	\$ 51,802	\$ 43,210	\$ 153,797
Accumulated Amortization				
Balance: 01 Jan 2023	\$ 39,161	49,602	18,321	107,084
Amortization for the year	3,193	1,301	4,977	9,471
Balance: 31 Dec 2023	42,354	50,903	23,298	116,555
Depreciation for the period	822	67	996	1,885
Balance: 31 Mar 2024	\$ 43,176	\$ 50,970	\$ 24,294	\$ 118,440
Carrying amounts				
31 Dec 2023	\$ 16,431	\$ 899	\$ 19,912	\$ 37,242
31Mar 2024	\$ 15,609	\$ 832	\$ 18,916	\$ 35,357

EMERGENT METALS CORP.

For the Three Months Ended 31 March 2024

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NOTES TO CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**8) Exploration and evaluation**

Acquisition costs Canada, Quebec	Casa South	Troillus	Trecesson	Total
Balance: 01 Jan 2023	\$ 529,148	\$ 56,440	\$ 212,783	\$ 798,371
Acquisition costs	1,587	-	387	1,974
Balance: 31 Dec 2023 and 31 Mar 2023	\$ 530,735	\$ 56,440	\$ 213,170	\$ 800,345

Acquisition costs USA, Nevada	New York Canyon	Mindora	Golden Arrow	Buckskin Rawhide East	Buckskin Rawhide West	Koegal Rawhide	Total
Balance: 01 Jan 2023	\$ 258,957	\$ 235,307	\$ 687,870	\$ 274,052	\$ 140,029	\$ 140,030	\$ 1,736,245
Acquisition costs	6,000	45,000	-	-	-	-	51,000
Royalty received under option agreements	-	(55,000)	-	(10,000)	-	-	(65,000)
Balance: 31 Dec 2023	\$ 264,957	\$ 225,307	\$ 687,870	\$ 264,052	\$ 140,029	\$ 140,030	\$ 1,722,245
Additions	132,908	-	-	-	-	-	178,000
Funds received under option agreements	(300,000)	-	-	-	-	-	(300,000)
Balance: 31 Mar 2024	\$ 97,865	225,307	687,870	264,052	140,029	140,030	1,555,153
Total							2,355,498

EMERGENT METALS CORP.

For the Three Months Ended 31 March 2023

US Dollars

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Exploration and evaluation costs Canada, Quebec	Casa South	Troillus	Trecesson	East West	Total
Historic expenses through 01 Jan 2023	\$ 2,101,385	\$ 339,249	\$ 696,681	\$ 66,034	\$ 3,203,349
Expenses for the year ended 31 Dec 2023					
Surface exploration	23,824	-	517,712	-	541,536
Reporting	12,424	-	39	-	12,463
Claim maintenance	16,797	-	1,328	-	18,125
	\$ 53,045	\$ -	\$ 519,079	\$ -	\$ 572,124
Expenses incurred through 31 Dec 2023	\$ 2,154,430	\$ 339,249	\$ 1,215,760	\$ 66,034	\$ 3,775,473
For the 3 months ended 31 Mar 2024					
Claim maintenance	\$ 2,358	\$ -	\$ 782	\$ -	\$ 3,140
Balance: 31 Mar 2024	\$ 2,156,788	\$ 339,249	\$ 1,216,542	\$ 66,034	\$ 3,778,613

Exploration and evaluation costs USA, Nevada	New York Canyon	Mindora	Golden Arrow	Buckskin Rawhide East	Buckskin Rawhide West	Koegal Rawhide	Other Prospects	Total
Historic expenses through 01 Jan 2023	\$ 115,783	\$ 313,055	\$ 1,409,300	\$ 6,165	\$ 22,494	\$ 44,798	\$ 208,776	\$ 2,120,371
For the year ended 31 Dec 2023								
Surface exploration	\$ 37,247	\$ 15,809	\$ 21,692	\$ 550	\$ -	\$ 13,987	\$ 2,438	\$ 91,723
Infrastructure	1,684	60	17,314	-	-	-	-	19,058
Claim maintenance	34,547	262	106,282	4,583	-	7,790	-	153,464
	73,478	16,131	145,288	5,133	-	21,777	2,438	264,245
Expense incurred through 31 Dec 2023	\$ 196,016	\$ 359,006	\$ 1,812,032	\$ 12,956	\$ 26,268	\$ 73,004	\$ 216,244	\$ 2,695,526
For the 3 months ended 31 Mar 2024								
Surface exploration	6,662	443	9,310	-	221	-	-	16,636
Infrastructure	-	-	5,591	-	-	-	-	5,951
Claim maintenance	204	-	21,583	6,119	-	-	-	27,906
	6,866	443	36,484	6,119	221	-	-	50,493
	202,882	359,449	1,848,516	19,075	26,489	73,004	216,244	2,745,659

EMERGENT METALS CORP.

For the Three Months Ended 31 March 2024

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NOTES TO CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

USA, NEVADA PROPERTIES

a) Golden Arrow Property, Nevada

The Company has a 100% interest in the Golden Arrow Property, an advanced stage exploration property, including:

- 494 unpatented lode mining claims, consisting of
 - 185 unpatented mining claims are leased,
 - 309 unpatented mining claims are owned, and
- 17 patented lode mining claims
- Golden Arrow Property totals about 10,000 acres.

The Golden Arrow Property has the following underlying obligations:

- 6 unpatented claims are subject to an advance royalty payment of \$25,000 per year and a 3% NSR upon production (2% can be purchased for \$200,000). Payments have been withheld due to ownership obligations but \$25,000 is accrued in the accounts
- 357 unpatented claims, plus area of influence are subject to an advance royalty payments (withheld) of totalling \$75,000 (\$25,000 per year) were accrued and capitalized as mineral property interests as at 31 December 2023 and a 3% NSR upon production, of which 1% can be purchased for \$1 million.
- 17 patented mining claims are subject to a 1% NSR.

b) New York Canyon Property, Nevada

The Company has a 100% interest in the New York Canyon Property, subject to underlying royalties. The properties include:

- 21 patented mineral claims
- 60 unpatented mining claims totalling about 1,500 acres.
- 92 claims are additionally staked by the Company

The New York Canyon property has the following underlying obligations

- The 60 unpatented claims are subject to a 2% NSR (1% may be purchased for \$1,000,000)
- 18 patented claims are subject to a 1.75% NSR royalty (capped at \$2,000,000) and a \$0.50 per metric tonne royalty for decorative stone shipped or sold from the property (capped at \$500,000)

Kennecott Joint Venture Agreement

In February of 2020, the Company signed an Earn-In with Option to Joint Venture Agreement with Kennecott Exploration Company ("Kennecott"), a subsidiary of Rio Tinto PLC (NYSE: RIO) for the New York Canyon Property. In September of 2023 Emergent announced that Kennecott had elected to terminate the option to earn in agreement, effective 29 June 2023. The effective date was 29 June 2023, pursuant to the exit terms Kennecott must:

- Provide exploration results from the 2023 drill program on the property,
- Transferred all other exploration data from the past year exploration programs.
- transfer to Emergent; 266 claims staked as part of the agreement.

Kennecott also agreed to transfer 368 unpatented claims, which they had staked outside of the agreement, in return for a 1% NSR (capped at \$100,000,000).

For the 368 claims the company reimbursed Kennecott for the claim maintenance fees for 2023 and 2024.

On 21 February 2024 the Company announced it has further expanded its New York Canyon property in Nevada by acquiring six unpatented lode claims (the Yorkie claims) from Western Geoscience Inc. (WGI). The property now consists of 21 patented claims and 792 unpatented mining claims totalling about 16,000 acres (6,500 hectares). Located about 30 miles (48 kilometres) east of Hawthorne, New York Canyon hosts copper skarn and porphyry exploration targets, including Longshot Ridge, Copper Queen, Champion and Emma.

Emergent acquired the claims for \$66,000 (U.S.) (\$12,000 (U.S.) paid to WGI with six additional monthly payments of \$9,000 (U.S.) due 15 February 2024, and continuing through July 15, 2024 (the Company is current on payment terms). In addition, Emergent will grant WGI a 2-per-cent net smelter royalty (NSR) on the claims, capped at \$1.75-million (U.S.).

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Ivanhoe transaction

On 01 March, the Company entered into an option agreement for purchase or sale with Ivanhoe Electric ("IE"). They will pay \$300,000 on signing with Emergent.

Emergent will grant IE the option ("Option") to acquire 100% of the property.

The term of the Option (the "Option Term") will be approximately 18 months ending on 01 August 2025.

In consideration for the Option, IE will pay Emergent US\$300,000 upon signing of the Agreement (the "Option Payment"), of which approximately US\$157,000 will be used by Emergent to satisfy certain land payment obligations in respect of the property.

IE will have the exclusive right to conduct exploration on the property during the Option Term.

IE will be responsible for claim maintenance payments during the Option Term.

Should IE elect to exercise its Option to purchase the property, the purchase price will be US\$2.0 million (the "Purchase Price") which includes the Option Payment of US\$300,000 and remaining purchase price of US\$1,700,000 (the "Remaining Purchase Price").

US\$700,000 of the Remaining Purchase Price will be paid in cash (the "Cash Payment").

US\$1.0 million of the Remaining Purchase Price will be paid in common stock of IE (the "Share Payment"), to be issued at the higher of (1) the IE 19 September 2023, follow-on public offering price of US\$13.50 per share or (2) the 30-day volume weighted average price determined on the date of exercise notice, but subject to stock exchange rules as well as a possible cash top-up in certain circumstances based on IE's future share price.

On closing of the exercise of the Option, Emergent will reserve a 1% Net Smelter Royalty (the "Production Royalty") on claims within the property that are not already encumbered with a royalty of 1% or greater from previous owners. However, IE will have the right prior to the commencement of commercial production, to buy-out the Production Royalty for a purchase price of US\$2.0 million in cash and/or IE shares (the "Royalty Buyout").

IE shall also retain a first right of refusal to acquire the Production Royalty in the event that Emergent wishes to sell, assign, or transfer the Production Royalty to an unaffiliated third party.

The transaction will occur between IE's subsidiary Ivanhoe Electric Nevada Holdings Inc. and Emergent's subsidiary Golden Arrow Mining Corporation.

c) Mindora Property, Nevada

The Company has an interest in the Mindora Property, an advanced stage exploration property, with 147 unpatented mining claims, including:

- 12 unpatented claims (The Mindora Claims) acquired from Nevada Sunrise LLC,
- 18 unpatented claims (The Mindora Extension Property) acquired from BL Exploration LLC, and
- 117 unpatented claims staked by Emergent.

The Mindora Properties have the following obligations:

- On the Mindora Extension Property there is a \$20,000 Advance minimum royalty per year and a 2% net smelter royalty ("NSR"). AMR is due annually on or before 15 June (up to date). Any AMR paid shall be credited against the royalty.
- If Emergent does not exercise the first option described above, Emergent would still retain a second option to acquire half of the 2% NSR by making a payment of \$500,000 after the 5th anniversary and before the 9th anniversary of the Closing Date.
- The Company retains a first option to acquire half of the 2% NSR by making a payment of \$200,000 on or before the 5th anniversary of the Closing Date (23 December 2024).

On 20 July 2023 the Company completed an option to purchase agreement with Lahontan Gold Corp. ("Lahontan"). Lahontan, subject to certain terms and conditions. Lahontan will have the option to acquire a 100% interest in the Mindora property by paying \$1,800,000 in cash and/or share payments (50% of the payments may be in shares at Lahontan's election) and \$1,400,000 in work expenditure on the property over a seven-year period. Lahontan can accelerate the payments by completing the purchase price at any time. Claim maintenance fees are paid by Lahontan.

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For the Three Months Ended 31 March 2023

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Commitment	Cash or shares	Work expenditures
On signing letter of intent	\$ 10,000 (paid)	\$ -
19 July 2024	20,000	-
By 31 December 2024	-	150,000
19 July 2025	25,000	-
By 31 December 2025	-	150,000
19 July 2026	25,000	-
By 31 December 2026	-	200,000
19 July 2027	30,000	-
By 31 December 2027	-	200,000
19 July 2028	30,000	-
By 31 December 2028	-	200,000
19 July 2029	40,000	-
By 31 December 2029	-	250,000
19 July 2030	1,620,000	250,000
	<u>\$ 1,800,000</u>	<u>1,400,000</u>

d) Buckskin Rawhide East Property, Nevada

The Company has a 100% interest in:

- 48 unpatented mineral claims, totalling 960 acres, making up Buckskin Rawhide East Property.
- The claims are inlying claims to Rawhide Mining LLC's ("RMC") operating Rawhide Mine.

The Buckskin Rawhide Property is leased to RMC, owners of the Rawhide Mine, under the following terms:

- The Lease Term is 20 years (start date of 01 June 2013)
- Advance royalty payments will be \$10,000 per year, paid by RMC to Emergent, with the first payment due at signing and subsequent payments due on the anniversary of the Lease Agreement.
- During the Lease Term, RMC will make all underlying claim fees to keep the claims in good standing.
- RMC will conduct a minimum of \$250,000 in exploration activities by the end of Year 1.
- RMC will conduct an additional minimum of \$250,000 in exploration activities by the end of Year 3, for a total of \$500,000 in exploration activities by the end of Year 3.
- RMC will have the option of earning a 100% interest in the property by bringing it into commercial production.
- Upon bringing the property into commercial production, RMC will make "Bonus Payments" to Emergent. Bonus Payments will be \$15 per ounce of gold when the price of gold ranges between \$1,200 per ounce and \$1,799 per ounce. If the price of gold exceeds \$1,800 per ounce, the Bonus Payment will increase to \$20 per ounce.

After meeting its exploration requirements, should RMC elect to drop the property or decide not to advance it, the property will be returned to Emergent. Should Emergent subsequently advance the property into production, RMC shall then be entitled to the same type of bonus payments as contemplated above.

Under the terms of the lease agreement, RMC was to complete \$500,000 in exploration related expenditures on the property by the third anniversary or 01 June 2016. However, as at 01 June 2016, RMC had completed only \$325,000 in exploration activities on the property. On 01 June 2016, RMC and Emergent mutually agreed to amend the original Lease Agreement whereby RMC would pay Emergent \$175,000, in seven quarterly payments of \$25,000, starting 01 June 2016, to keep the Lease Agreement in good standing. These payments were in lieu of completing the \$175,000 in exploration work required in the Lease Agreement.

Emergent received the \$10,000 annual advance royalty payment for the Buckskin Rawhide Property from RMC during the year ended 31 December 2023 (2022 - \$10,000)

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e) Buckskin Rawhide West Property, Nevada

The Company has a 100% interest, acquired from Jeremy C. Wire, in the Buckskin Rawhide West Property, being the PC and RH mineral claims, located 0.3 miles west of the Company's Buckskin Rawhide property. The property is subject to a 2% Net Smelter Royalty, which can be purchased at any time for \$1.0 million.

f) Koegel Rawhide, Nevada

Emergent has a 100% interest in the Koegel Rawhide Property, which consists of:

- 19 unpatented lode mining claims (the RHT and GEL claims) totaling 380 acres, acquired from Jeremy C. Wire, located 4.0 miles south of Emergent's Buckskin Rawhide East Property
- 17 additional unpatented lode claims totaling 340 acres.
- On 13 February 2013, the Company entered a Lease and Option to Purchase Agreement with Jeremy C. Wire to acquire the RHT and GEL mineral claims, located 4.0 miles

The property is subject to a 2% Net Smelter Royalty, which can be purchased at any time for \$1.0 million.

CANADA, QUEBEC PROPERTIES

a) Casa South Property, Quebec

The Company has a 100% interest in the Casa South Property, an early-stage exploration property, adjacent to Hecla Mining Corporation's (NYSE: HL) operating Casa Berardi Mine, as at 31 March 2024 - 236 claims for 13,194 hectares:

- consisting of 204 mining titles covering a total of 11,400 hectares (acquired from Greg Explorations Inc. et al),
- The 204 claims are subject to a 1.5% NSR, of which 0.5% can be purchased by Emergent for CDN\$500,000.
- Emergent staked 32 additional mineral claims, in 2023.

b) Trecesson Property, Quebec

On 27 September 2021, the Company announced it had acquired a 100% interest in the Trecesson Property through a Commercial Proposal made under the Canadian Bankruptcy and Insolvency Act from Knick Exploration Inc. ("Knick"). The claims are located 13 km west of Amos, Quebec. At 31 March 2024 the Company has 63 claims totalling 2,331 hectares

- Initially Emergent acquired 50 mineral claims.
- The Company has staked an additional 26 claims.

Obligations related to the properties are:

- The property is partially subject to underlying royalties to Exploration Carat, Group Leblanc, and Robert-Audet, each a 2% NSR applicable to separate individual claims blocks.
- Emergent may buy back 1% of each NSR for CDN\$1,000,000 million at any time.

c) Troilus North Royalty Interest, Quebec

In December 2018, Troilus Gold acquired the Troilus North property from Emergent for CDN\$250,000 in cash and 3.75 million Troilus Gold common shares.

- Emergent has a 1% NSR.
- Troilus Gold retains first option to acquire this 0.5% of this royalty for a cash payment of CDN\$500,000 and
- a second option to acquire the remaining 0.5% of this royalty for an additional cash payment of CDN\$500,000.

d) East West Property Royalty, Quebec

In 2022, Emergent sold the property to O3 Mining Inc. ("O3") and recognized a gain of \$693,271 on the sale.

- The Company retains a 1% net smelter returns ("NSR") royalty over the East West Property. O3 may elect to buy back the Royalty for:
 - CDN\$500,000 if the Buy-Back Right is exercised within the first three years from the date of the Definitive Agreement (03 May 2025)
 - CDN\$1,000,000 if the Buy-Back Right is exercised within the fourth and fifth years from the date of the Definitive Agreement.

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9) Related party transactions

Related party transactions and balances, not disclosed elsewhere in the interim condensed consolidated financial statements, are as follows:

Principal Position	Fiscal Period	Fees or remuneration ⁽ⁱ⁾	Benefits and allowances	Share-based awards	Amounts Payable
CEO, President – D. Watkinson	Y 2023	120,000	78,000	56,907	237,519
	Q1 2024	30,000	6,000	3,478	281,017
CFO, Director – G. Smith	Y 2023	\$ -	\$ -	\$ -	-
	Q1 2024	21,000	-	-	13,000
Director – A MacRitchie	Y 2023	-	-	21,340	-
	Q1 2024	-	-	1,304	-
Director – V. Garibaldi	Y 2023	-	-	21,340	-
	Q1 2024	-	-	1,304	-
Director – J. Davy	Y 2023	-	-	21,340	-
	Q1 2024	-	-	1,304	-

10) Share capital

a) Authorized:

Unlimited common shares without par value.

Unlimited preference shares without par value

b) Common shares, issued and fully paid

During the three months ended 31 March 2024

- No activity to report

During the year ended 31 December 2023

- On 1 February 2023, a warrant holder exercise 25,000 share purchase warrants at CND\$0.15 per warrant resulting in 25,000 shares issued from the capital of the company.
- On 19 June 2023 a warrant holder exercised 333,333 share purchase warrants at CND\$0.15 per warrant resulting in 333,333 shares issued from the capital of the company.
- On 23 October 2023, Emergent closed a non-brokered private placement of 1,680,000 units at a price of CND \$0.10 per unit raising gross proceeds of CND \$168,000. Each unit consisted of one common share in the capital of the company and one whole nontransferable common share purchase warrant. Each warrant is exercisable to acquire one share at an exercise price of CND \$0.12 per share for a period of 24 months from the date of issuance. Warrant liability of \$66,028 was calculated based on Black-Sholes model (risk-free rate: 4.72%, volatility: 128%; expected life: 2 years) and \$56,662 was allocated to share capital. Further, Emergent paid finder's fees of \$4,015 and issued 33,600 finder's warrants. Each whole warrant exercisable to acquire one common share at CDN \$0.12 for a period of 24 months.
- On 20 December 2023 the Company closed a non-brokered flow-through private placement of 2,900,000 flow through common shares at a price of CND \$0.14 dollars per share for gross proceeds of CDN \$406,000. \$217,528 was allocated to share capital based on fair value of the common shares and \$87,708 was allocated to flow-through premium. The company paid finders fees of CDN\$32,480 and issued 232,000 share purchase warrants in connection with the subscription. Each finder's warrant is exercisable to acquire one common share in the capital of the company at an exercise price of CND \$0.14 per common share until 20 December 2025, which is 24 months from the date of issuance.

c) Warrants

Warrant activity during the three month period ended 31 March 2024 and the year ended 31 December 2023 are as follows:

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Warrant activity	31 Mar 2024	Weighted avg exercise price	31 Dec 2023	Weighted avg exercise price
Balance – beginning of period	13,983,158	\$ 0.22	12,995,891	\$ 0.27
Granted	-	-	1,945,600	0.12
Expired	-	-	(600,000)	1.00
Exercised	-	-	(358,333)	0.15
Balance – end of period	13,983,158	\$ 0.22	13,983,158	\$ 0.22

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Details of warrants outstanding as at 31 March 2024 and 31 December 2023 are as follows:

Expiry Date	Exercise Price	31 Mar 2024 Outstanding	Weighted Average remaining life	31 Dec 2023 Outstanding	Weighted Average remaining life
20 Dec 2025	\$ 0.14	232,000	1.72	232,000	1.97
23 Oct 2025	0.12	1,680,000	1.56	1,680,000	1.81
23 Oct 2025	0.12	33,600	1.56	33,600	1.81
12 Dec 2024	0.45	1,838,725	0.70	1,838,725	0.95
30 Nov 2024	0.26	1,508,750	0.26	1,508,750	0.92
21 Oct 2024	0.26	3,234,750	0.26	3,234,750	0.81
31 May 2024	0.15	5,455,333	0.17	5,455,333	0.42
	\$ 0.22	13,983,158	0.58	13,983,158	0.83

Movement related to the warrant liability resulted from the private placement subscribers' warrants (finders warrants are excluded from derivative liability calculation), for warrants priced in Canadian dollars, is as follows:

Warrant liability	31 Mar 2024		31 Dec 2023	
	Number of Warrants	Fair Value	Number of warrants	Fair Value
Balance – beginning of period	13,287,058	\$ 247,422	12,490,391	\$ 1,406,769
Issued	-	-	1,680,000	66,028
Exercised	-	-	(358,333)	-
Cancelled	-	-	-	-
Expiration and fair value adjustment	-	(209,605)	(525,000)	(1,225,375)
Balance – end of period	13,287,058	\$ 37,817	13,287,058	\$ 247,422

d) Summary of stock option activity

The company has a rolling stock option plan for its directors and employees to acquire common shares of the company at a price determined by the fair market value of the shares at the date of grant. The maximum aggregate number of common shares reserved for issuance pursuant to the plan is 10% of the issued and outstanding common shares.

Stock option activities during the three months ended 31 March 2024 and the year ended 31 December 2023 are as follows:

Stock option activity	31 Mar 2024	Weighted Avg exercise price	31 Dec 2023	Weighted Avg exercise price
Balance – beginning of period	2,297,500	\$ 0.58	1,257,500	\$ 1.10
Granted	-	-	1,300,000	0.25
Forfeit	(245,000)	1.11	-	-
Cancel	(126,000)	0.25	-	-
Expired	-	-	(260,000)	1.50
Balance – end of period	1,926,500	\$ 0.53	2,297,500	\$ 0.58

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Grant Date	Expiry Date	Exercise Price	31 Mar 2024 Outstanding	31 Mar 2024 Exercisable	31 Dec 2023 Outstanding
17 May 2019	17 May 2024	2.00	55,000	55,000	102,500
30 Jan 2020	30 Jan 2025	0.90	257,500	257,500	300,000
30 Nov 2020	30 Nov 2025	0.90	490,000	490,000	595,000
04 Jan 2023	04 Jan 2028	0.25	1,124,000	753,080	1,300,000
			1,926,500	1,555,580	2,297,500

The outstanding options have a weighted average remaining life of 2.73 years (31 December 2023 – 2.98 years). Subsequent to 31 March 2024, 55,000 options at \$2.00 expired, unexercised.

e) Share-based payments

During the three month period year ended 31 March 2024, the Company granted Nil (Fiscal 2023 – 1,300,000) incentive stock options to consultants of the Company. Emergent recognized \$7,391 (Fiscal 2023 - \$184,947) in share-based payments, from vesting.

11) Capital management

The Company manages its capital structure and makes adjustments to it, based on the funds available to the Company, in order to support the acquisition and exploration of mineral properties. 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 defines capital that it manages as share capital.

Management reviews its capital management approach on an on-going basis and believes that this approach is reasonable and appropriate relative to the size of the Company.

The Company is in the business of mineral exploration and has no source of operating revenue. Operations are financed through the issuance of capital stock or liability instruments, or through the sale of equipment. Capital raised is held in cash in an interest-bearing bank account until such time as it is required to pay operating expenses or resource property costs. The Company is not subject to any externally imposed capital restrictions. Its objectives in managing its capital are to safeguard its cash and its ability to continue as a going concern, and to utilize as much of its available capital as possible for exploration activities. The Company's objectives have not changed during the period ended 31 March 2024.