20241219033935

Årsredovisning

för

Comercial Metales Blancos AB

556702-1075

Räkenskapsåret

2023-10-01 – 2024-09-30

Fastställelseintyg

Undertecknad styrelseledamot i Comercial Metales Blancos AB intygar att resultaträkningen och balansräkningen i årsredovisningen har fastställts på årsstämma den **2024 -12-06**. Årsstämman beslutade att godkänna styrelsens förslag till resultatdisposition.

Jag intygar också att innehållet i årsredovisningen och revisionsberättelsen stämmer överens med originalen.

Stockholm, den **06 december 2024**

Ronan Sabo-Walsh

Docusign Envelope ID: 19455CAC-076E-4B0B-BE51-A4C3157A215D

20241219039096

Årsredovisning

för

Comercial Metales Blancos AB

556702-1075

Räkenskapsåret

2023-10-01 - 2024-09-30

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20241219053507

Styrelsen för Comercial Metales Blancos AB upprättar härmed följande årsredovisning för räkenskapsåret 2023-10-01 - 2024-09-30.

Årsredovisningen är upprättad i svenska kronor, SEK. Om inte annat särskilt anges, redovisas alla belopp i tusentals kronor (Tkr).

Förvaltningsberättelse

Information om verksamheten

Bolagets verksamhet består av att förvalta aktier i bolag inom gruv- och mineralindustrin som marknadsför och säljer produkter till smältverk.

Bolaget är ägare till 99,99% av aktierna i det bolivianska bolaget Minera San Cristóbal S.A. (MSC) som är verksamt inom gruv- och mineralindustrin. Verksamheten i MSC består av utforskning och framställande av silver- zink- och blygruvfyndigheter belägen i San Cristóbal, Bolivia, vilket också inkluderar produktion och försäljning av koncentrat.

Bolaget är även ägare till samtliga aktier i det schweiziska bolaget SanCris Minerals GmbH (SMG), vars verksamhet har bestått av marknadsföring och försäljning av koncentrat till smältverk fram till februari 2023. Bolaget befinner sig för närvarande i frivillig likvidation.

Vidare äger bolaget 99,96% i det bolivianska bolaget SC Minerals Bolivia S.R.L. (SCMB) som för närvarande är vilande.

Bolaget äger slutligen 1 aktie i det bolivianska bolaget Empresa Minera MEMISA S.A.

Bolaget är ett helägt dotterbolag till San Cristóbal Mining Holdings Inc (SCM) med registrerat säte i British Columbia, Kanada.

Företaget har sitt säte i Stockholm.

Väsentliga händelser under räkenskapsåret

Den 17 november 2023 beslutades att försätta dotterbolaget SMG i frivillig likvidation.

Enligt beslut fattat på årsstämman för MSC den 3 januari, 2024, beslutades att lämna utdelning till bolaget uppgående till BOB 321 366 304,93 efter avdrag för källskatt i Bolivia (motsvarande SEK 458 911 083 den 3 januari). Utdelningen erhölls den 5 januari, 2024.

Enligt beslut på extra bolagsstämma i bolaget den 5 januari, 2024, beslutades att lämna utdelning till SCM på sammanlagt USD 46 400 000 (motsvarande SEK 477 340 000). Utdelningen betalades samma dag.

Enligt beslut på extra bolagsstämma i dotterbolaget SCMB den 17 maj, 2024, fattades beslut om att begära ett kapitaltillskott från bolaget till SCMB i utbyte mot fler aktier i SCMB. Kapitaltillskottet uppgick till BOB 246 600 (motsvarande USD 36 000/SEK 382 785 den 17 maj).

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Ett låneavtal mellan moderbolaget SCM och bolaget upprättades i januari 2024. Låneavtalet reglerar den koncerninterna finansiering som bolaget har kunnat erhålla under året. Samtliga förskott från SCM bestyrks genom skuldebrev och löper med marknadsmässigt ränta. Under året har fyra förskott på totalt USD 250 000 (motsvarande ca 2 523 222 SEK) lämnats till bolaget.

Flerårsöversikt	**2023/24**	**2023** (6 mån)	**2022/23**	**2021/22**
Nettoomsättning	0	0	0	0
Resultat efter finansiella poster	468 391	771 060	255 846	500 986
Balansomslutning	2 120 481	2 124 215	2 129 764	2 134 260
Soliditet (%)	99,70	99,95	100,00	100,00
Avkastning på eget kap. (%)	22,15	36,26	12,00	21,00

Förändringar i eget kapital

	Aktie-kapital	**Fri överkurs-fond**	**Balanserat resultat**	**Årets resultat**	**Totalt**
Belopp vid årets ingång	100	405 471	946 566	771 060	**2 123 197**
Disposition enligt beslut av årsstämman:					
Balanseras i ny räkning			771 060	-771 060	**0**
Utdelning			-477 340		**-477 340**
Årets resultat				468 391	**468 391**
Belopp vid årets utgång	**100**	**405 471**	**1 240 286**	**468 391**	**2 114 248**

Förslag till vinstdisposition

(SEK)

Styrelsen föreslår att till förfogande stående vinstmedel:

fri överkursfond	405 471 026
balanserad vinst	1 240 286 238
årets vinst	468 390 733
	2 114 147 997
disponeras så att	
i ny räkning överföres	2 114 147 997
	2 114 147 997

Företagets resultat och ställning i övrigt framgår av efterföljande resultat- och balansräkning med noter.

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Resultaträkning

Tkr

	Not	2023-10-01 -2024-09-30	2023-04-01 -2023-09-30 (6 mån)
		0	**0**
Rörelsens kostnader			
Övriga externa kostnader	3	-5 946	-1 102
Personalkostnader	4	-359	0
Rörelseresultat		**-6 305**	**-1 102**
Resultat från finansiella poster			
Resultat från andelar i koncernföretag	5	458 911	740 310
Ränteintäkter och liknande resultatposter	6	16 253	31 861
Räntekostnader och liknande resultatposter	7	-469	-9
		474 695	**772 162**
Resultat efter finansiella poster		**468 391**	**771 060**
Resultat före skatt		**468 391**	**771 060**
Skatt på årets resultat	8	0	0
Årets resultat		**468 391**	**771 060**

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20241219040000

Balansräkning

Tkr

	Not	2024-09-30	2023-09-30
TILLGÅNGAR			
Anläggningstillgångar			
Finansiella anläggningstillgångar			
Andelar i koncernföretag	9, 10	2 120 324	2 119 941
Summa anläggningstillgångar		**2 120 324**	**2 119 941**
Omsättningstillgångar			
Kortfristiga fordringar			
Fordringar hos koncernföretag		2	0
Övriga fordringar		6	0
Förutbetalda kostnader och upplupna intäkter		45	0
		53	**0**
Kassa och bank		104	4 274
Summa omsättningstillgångar		**157**	**4 274**
SUMMA TILLGÅNGAR		**2 120 481**	**2 124 215**
EGET KAPITAL OCH SKULDER			
Eget kapital	11		
Bundet eget kapital			
Aktiekapital		100	100
		100	**100**
Fritt eget kapital			
Fri överkursfond		405 471	405 471
Balanserad vinst eller förlust		1 240 286	946 566
Årets resultat		468 391	771 060
		2 114 148	**2 123 097**
Summa eget kapital		**2 114 248**	**2 123 197**
Kortfristiga skulder			
Leverantörsskulder		0	355
Skulder till koncernföretag		2 620	73
Övriga skulder		6	0
Upplupna kostnader och förutbetalda intäkter	12	3 607	590
Summa kortfristiga skulder		**6 233**	**1 018**
SUMMA EGET KAPITAL OCH SKULDER		**2 120 481**	**2 124 215**

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20241219044001

Noter

Tkr

Not 1 Redovisnings- och värderingsprinciper

Allmänna upplysningar

Årsredovisningen är upprättad i enlighet med årsredovisningslagen och BFNAR 2012:1 Årsredovisning och koncernredovisning (K3).

Redovisningsprinciperna är oförändrade jämfört med föregående år.

Fordringar
Fordringar har upptagits till de belopp varmed de beräknas inflyta.

Övriga tillgångar, avsättningar och skulder
Övriga tillgångar, avsättningar och skulder har värderats till anskaffningsvärden om inget annat anges nedan.

Finansiella instrument
Andelar i dotterföretag redovisas till anskaffningsvärde efter avdrag för eventuella nedskrivningar. I anskaffningsvärdet ingår köpeskillingen som erlagts för aktierna samt förvärvskostnader. Eventuella kapitaltillskott läggs till anskaffningsvärdet när de uppkommer.

Inkomstskatt
Aktuell skatt är inkomstskatt för innevarande inkomstår som avser årets skattepliktiga resultat och den del av tidigare räkenskapsårs inkomstskatt som ännu inte har redovisats.

Uppskjuten skatt är inkomstskatt för skattepliktigt resultat avseende framtida räkenskapsår till följd av tidigare transaktioner eller händelser.

Uppskjuten skatt beräknas på temporära skillnader. En temporär skillnad finns när det redovisade värdet på en tillgång eller skuld skiljer sig från det skattemässiga värdet. Temporära skillnader beaktas ej i skillnader hänförliga till investeringar i dotterföretag, filialer eller intresseföretag eller joint venture om företaget kan styra tidpunkten för återföring av de temporära skillnaderna och att det inte är uppenbart att den temporära skillnaden kommer att återföras inom en överskådlig framtid. Skillnaden som härrör från den första redovisningen av goodwill eller vid den första redovisningen av en tillgång eller skuld såvida inte den hänförliga transaktionen är ett rörelseförvärv eller påverkar skatt eller redovisat resultat utgör inte heller temporära skillnader.

Uppskjuten skattefordran avseende underskottsavdrag eller andra framtida skattemässiga avdrag redovisas i den omfattning det är sannolikt att avdragen kan avräknas mot framtida skattemässiga överskott.

Fordringar och skulder i utländsk valuta
Monetära fordringar och skulder i utländsk valuta har räknats om till balansdagens kurs.

Valutakursdifferenser som uppkommer vid reglering eller omräkning av monetära poster redovisas i resultaträkningen det räkenskapsår de uppkommer, antingen som en rörelsepost eller som en finansiell post utifrån den underliggande affärshändelsen.

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Nyckeltalsdefinitioner

Nettoomsättning
Rörelsens huvudintäkter, fakturerade kostnader, sidointäkter samt intäktskorrigeringar.

Resultat efter finansiella poster
Resultat efter finansiella intäkter och kostnader men före bokslutsdispositioner och skatter.

Balansomslutning
Företagets samlade tillgångar.

Soliditet (%)
Justerat eget kapital (eget kapital och obeskattade reserver med avdrag för uppskjuten skatt) i procent av balansomslutning.

Avkastning på eget kap. (%)
Resultat efter finansiella poster i procent av justerat eget kapital (eget kapital och obeskattade reserver med avdrag för uppskjuten skatt).

Not 2 Inköp och försäljningar mellan koncernföretag

Under året har inga koncerninterna inköp eller försäljningar ägt rum.

	2024-09-30	**2023-09-30**
Andel av inköpen som avser koncernföretag	0	0
	0	**0**

Not 3 Arvode till revisorer

Med revisionsuppdrag avses granskning av årsredovisningen och bokföringen samt styrelsens förvaltning, övriga arbetsuppgifter som det ankommer på bolagets revisor att utföra samt rådgivning eller annat biträde som föranleds av iakttagelser vid sådan granskning eller genomförandet av sådana övriga arbetsuppgifter.

	2023-10-01 -2024-09-30	**2023-04-01 -2023-09-30**
KPMG		
Revisionsuppdrag	120	197
	120	**197**

Not 4 Medelantalet anställda

	2023-10-01 -2024-09-30	**2023-04-01 -2023-09-30**
Medelantalet anställda	1	0

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20241219040003

Not 5 Resultat från andelar i koncernföretag

	2023-10-01 -2024-09-30	2023-04-01 -2023-09-30
Utdelningar	458 911	740 310
	458 911	**740 310**

Not 6 Ränteintäkter och liknande resultatposter

	2023-10-01 -2024-09-30	2023-04-01 -2023-09-30
Valutakursdifferenser	16 253	31 861
	16 253	**31 861**

Not 7 Räntekostnader och liknande resultatposter

	2023-10-01 -2024-09-30	2023-04-01 -2023-09-30
Räntekostnader till koncernföretag	-144	
Valutakursdifferenser	-325	-9
	-469	**-9**

Not 8 Skatt på årets resultat

	2023-10-01 -2024-09-30	2023-04-01 -2023-09-30
Redovisat resultat i skattepliktig verksamhet före skatt	468 391	771 060
Skatt beräknad enligt gällande skattesats (20.6%)	96 488	158 838
Ej avdragsgilla kostnader	12	16
Ej skattepliktiga intäkter	-94 535	-152 504
Underskottsavdrag som nyttjas i år	-1 965	-6 350
Redovisad skattekostnad	**0**	**0**

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20241219044004

Not 9 Andelar i koncernföretag

	2024-09-30	2023-09-30
Ingående anskaffningsvärden	2 207 834	2 207 787
Inköp	0	47
Kapitaltillskott	383	0
Utgående ackumulerade anskaffningsvärden	**2 208 217**	**2 207 834**
Ingående nedskrivningar	-87 893	-87 893
Utgående ackumulerade nedskrivningar	**-87 893**	**-87 893**
Utgående redovisat värde	**2 120 324**	**2 119 941**

Not 10 Specifikation av företags innehav av andelar i koncernföretag

Namn	Kapital-andel	Rösträtts-andel	Antal andelar	Bokfört värde
Minera San Cristóbal S.A.	99,99%	99,99%	38 773 232	2 119 853
SanCris Minerals GmbH	100%	100%	2	41
SC Minerals Bolivia S.R.L	99,96%	99,96%	2 781	430
				2 120 324

	Org.nr	Säte	Eget kapital	Resultat
Minera San Cristóbal S.A.	No 157/2005	La Paz, Bolivia	8 113 396	1 391 279
SanCris Minerals GmbH	CHE-113.068.864	Zug, Schweiz	9 382	-5 735
SC Minerals Bolivia S.R.L	NIT.158808025	La Paz, Bolivia	323	-146

Räkenskapsåret för SMG avslutades den 31 mars, 2024, varmed ovanstående belopp anger de värden som gällde på balansdagen, 31 mars 2024. Genom ett kapitaltillskott från bolaget till SCMB i utbyte mot aktier ökade antalet andelar i dotterbolaget med 2 466 aktier till totalt 2 781 aktier.

Not 11 Antal aktier och kvotvärde

Namn	Antal aktier	Kvot-värde
Antal aktier	7 001	14
	7 001	

Not 12 Upplupna kostnader och förutbetalda intäkter

	2024-09-30	2023-09-30
Övriga upplupna kostnader	3 606	591
Avrundningsdifferens	1	-1
	3 607	**590**

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Not 13 Eventualförpliktelser

	2024-09-30	2023-09-30
Borgensåtagande	432	650
	432	**650**

Not 14 Koncernförhållande

Bolaget är moderbolag. Med hänvisning till ÅRL 7 kap 2 § upprättas inte någon koncernredovisning. Övergripande koncernredovisning upprättas av San Cristóbal Mining Inc. med säte i British Columbia, Kanada.

Not 15 Väsentliga händelser efter räkenskapsårets slut

Bolaget förväntas under innevarande räkenskapsår erhålla utdelning från SanCris Minerals GmbH (SMG) i form av likvidationsskifte till ett belopp om CHF 765 122 (cirka SEK 9 000 000 000).

Stockholm den dag som framgår av respektive befattningshavares elektroniska underskrift

Signed by:
ACC3B92148CD49B...
Quinton Hennigh
Ordförande

DocuSigned by:
Jessica Tennhagen
FD7CD246C122493...
Jessica Tennhagen

DocuSigned by:
Ronan Sabo-Walsh
EA949D644A304C2...
Ronan Sabo-Walsh

DocuSigned by:
Erik Wetterling
1E855CD9BC844CE...
Erik Wetterling

Vår revisionsberättelse har lämnats den dag som framgår av min elektroniska underskrift

KPMG AB

Signed by:
Filip Larsson
A6773E4D455D4A4...
Filip Larsson
Auktoriserad revisor

Docusign Envelope ID: 19455CAC-076E-4B0B-BE51-A4C3157A215D

20241219044006

Revisionsberättelse

Till bolagsstämman i Comercial Metales Blancos AB, org. nr 556702-1075

Rapport om årsredovisningen

Uttalanden

Vi har utfört en revision av årsredovisningen för Comercial Metales Blancos AB för räkenskapsåret 2023-10-01—2024-09-30.

Enligt vår uppfattning har årsredovisningen upprättats i enlighet med årsredovisningslagen och ger en i alla väsentliga avseenden rättvisande bild av Comercial Metales Blancos ABs finansiella ställning per den 30 september 2024 och av dess finansiella resultat för räkenskapsåret enligt årsredovisningslagen. Förvaltningsberättelsen är förenlig med årsredovisningens övriga delar.

Vi tillstyrker därför att bolagsstämman fastställer resultaträkningen och balansräkningen.

Grund för uttalanden

Vi har utfört revisionen enligt International Standards on Auditing (ISA) och god revisionssed i Sverige. Vårt ansvar enligt dessa standarder beskrivs närmare i avsnittet Revisorns ansvar. Vi är oberoende i förhållande till Comercial Metales Blancos AB enligt god revisorssed i Sverige och har i övrigt fullgjort vårt yrkesetiska ansvar enligt dessa krav.

Vi anser att de revisionsbevis vi har inhämtat är tillräckliga och ändamålsenliga som grund för våra uttalanden.

Styrelsens ansvar

Det är styrelsen som har ansvaret för att årsredovisningen upprättas och att den ger en rättvisande bild enligt årsredovisningslagen. Styrelsen ansvarar även för den interna kontroll som den bedömer är nödvändig för att upprätta en årsredovisning som inte innehåller några väsentliga felaktigheter, vare sig dessa beror på oegentligheter eller misstag.

Vid upprättandet av årsredovisningen ansvarar styrelsen för bedömningen av bolagets förmåga att fortsätta verksamheten. Den upplyser, när så är tillämpligt, om förhållanden som kan påverka förmågan att fortsätta verksamheten och att använda antagandet om fortsatt drift. Antagandet om fortsatt drift tillämpas dock inte om styrelsen avser att likvidera bolaget, upphöra med verksamheten eller inte har något realistiskt alternativ till att göra något av detta.

Revisorns ansvar

Våra mål är att uppnå en rimlig grad av säkerhet om huruvida årsredovisningen som helhet inte innehåller några väsentliga felaktigheter, vare sig dessa beror på oegentligheter eller misstag, och att lämna en revisionsberättelse som innehåller våra uttalanden. Rimlig säkerhet är en hög grad av säkerhet, men är ingen garanti för att en revision som utförs enligt ISA och god revisionssed i Sverige alltid kommer att upptäcka en väsentlig felaktighet om en sådan finns. Felaktigheter kan uppstå på grund av oegentligheter eller misstag och anses vara väsentliga om de enskilt eller tillsammans rimligen kan förväntas påverka de ekonomiska beslut som användare fattar med grund i årsredovisningen.

Som del av en revision enligt ISA använder vi professionellt omdöme och har en professionellt skeptisk inställning under hela revisionen. Dessutom:

- identifierar och bedömer vi riskerna för väsentliga felaktigheter i årsredovisningen, vare sig dessa beror på oegentligheter eller misstag, utformar och utför granskningsåtgärder bland annat utifrån dessa risker och inhämtar revisionsbevis som är tillräckliga och ändamålsenliga för att utgöra en grund för våra uttalanden. Risken för att inte upptäcka en väsentlig felaktighet till följd av oegentligheter är högre än för en väsentlig felaktighet som beror på misstag, eftersom oegentligheter kan innefatta agerande i maskopi, förfalskning, avsiktliga utelämnanden, felaktig information eller åsidosättande av intern kontroll.
- skaffar vi oss en förståelse av den del av bolagets interna kontroll som har betydelse för vår revision för att utforma granskningsåtgärder som är lämpliga med hänsyn till omständigheterna, men inte för att uttala oss om effektiviteten i den interna kontrollen.
- utvärderar vi lämpligheten i de redovisningsprinciper som används och rimligheten i styrelsens uppskattningar i redovisningen och tillhörande upplysningar.
- drar vi en slutsats om lämpligheten i att styrelsen använder antagandet om fortsatt drift vid upprättandet av årsredovisningen. Vi drar också en slutsats, med grund i de inhämtade revisionsbevisen, om huruvida det finns någon väsentlig osäkerhetsfaktor som avser sådana händelser eller förhållanden som kan leda till betydande tvivel om bolagets förmåga att fortsätta verksamheten. Om vi drar slutsatsen att det finns en väsentlig osäkerhetsfaktor, måste vi i revisionsberättelsen fästa uppmärksamheten på upplysningarna i årsredovisningen om den väsentliga osäkerhetsfaktorn eller, om sådana upplysningar är otillräckliga, modifiera uttalandet om årsredovisningen. Våra slutsatser baseras på de revisionsbevis som inhämtas fram till datumet för revisionsberättelsen. Dock kan framtida händelser eller förhållanden göra att ett bolag inte längre kan fortsätta verksamheten.
- utvärderar vi den övergripande presentationen, strukturen och innehållet i årsredovisningen, däribland upplysningarna, och om årsredovisningen återger de underliggande transaktionerna och händelserna på ett sätt som ger en rättvisande bild.

Vi måste informera styrelsen om bland annat revisionens planerade omfattning och inriktning samt tidpunkten för den. Vi måste också informera om betydelsefulla iakttagelser under revisionen, däribland de eventuella betydande brister i den interna kontrollen som vi identifierat.

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20241219044007

Rapport om andra krav enligt lagar och andra författningar

Uttalanden

Utöver vår revision av årsredovisningen har vi även utfört en revision av styrelsens förvaltning för Comercial Metales Blancos AB för räkenskapsåret 2023-10-01—2024-09-30 samt av förslaget till dispositioner beträffande bolagets vinst eller förlust.

Vi tillstyrker att bolagsstämman disponerar vinsten enligt förslaget i förvaltningsberättelsen och beviljar styrelsens ledamöter ansvarsfrihet för räkenskapsåret.

Grund för uttalanden

Vi har utfört revisionen enligt god revisionssed i Sverige. Vårt ansvar enligt denna beskrivs närmare i avsnittet Revisorns ansvar. Vi är oberoende i förhållande till Comercial Metales Blancos AB enligt god revisorssed i Sverige och har i övrigt fullgjort vårt yrkesetiska ansvar enligt dessa krav.

Vi anser att de revisionsbevis vi har inhämtat är tillräckliga och ändamålsenliga som grund för våra uttalanden.

Styrelsens ansvar

Det är styrelsen som har ansvaret för förslaget till dispositioner beträffande bolagets vinst eller förlust. Vid förslag till utdelning innefattar detta bland annat en bedömning av om utdelningen är försvarlig med hänsyn till de krav som bolagets verksamhetsart, omfattning och risker ställer på storleken av bolagets egna kapital, konsolideringsbehov, likviditet och ställning i övrigt.

Styrelsen ansvarar för bolagets organisation och förvaltningen av bolagets angelägenheter. Detta innefattar bland annat att fortlöpande bedöma bolagets ekonomiska situation och att tillse att bolagets organisation är utformad så att bokföringen, medelsförvaltningen och bolagets ekonomiska angelägenheter i övrigt kontrolleras på ett betryggande sätt.

Revisorns ansvar

Vårt mål beträffande revisionen av förvaltningen, och därmed vårt uttalande om ansvarsfrihet, är att inhämta revisionsbevis för att med en rimlig grad av säkerhet kunna bedöma om någon styrelseledamot i något väsentligt avseende:

- företagit någon åtgärd eller gjort sig skyldig till någon försummelse som kan föranleda ersättningsskyldighet mot bolaget, eller
- på något annat sätt handlat i strid med aktiebolagslagen, årsredovisningslagen eller bolagsordningen.

Vårt mål beträffande revisionen av förslaget till dispositioner av bolagets vinst eller förlust, och därmed vårt uttalande om detta, är att med rimlig grad av säkerhet bedöma om förslaget är förenligt med aktiebolagslagen.

Rimlig säkerhet är en hög grad av säkerhet, men ingen garanti för att en revision som utförs enligt god revisionssed i Sverige alltid kommer att upptäcka åtgärder eller försummelser som kan föranleda ersättningsskyldighet mot bolaget, eller att ett förslag till dispositioner av bolagets vinst eller förlust inte är förenligt med aktiebolagslagen.

Som en del av en revision enligt god revisionssed i Sverige använder vi professionellt omdöme och har en professionellt skeptisk inställning under hela revisionen. Granskningen av förvaltningen och förslaget till dispositioner av bolagets vinst eller förlust grundar sig främst på revisionen av räkenskaperna. Vilka tillkommande granskningsåtgärder som utförs baseras på vår professionella bedömning med utgångspunkt i risk och väsentlighet. Det innebär att vi fokuserar granskningen på sådana åtgärder, områden och förhållanden som är väsentliga för verksamheten och där avsteg och överträdelser skulle ha särskild betydelse för bolagets situation. Vi går igenom och prövar fattade beslut, beslutsunderlag, vidtagna åtgärder och andra förhållanden som är relevanta för vårt uttalande om ansvarsfrihet. Som underlag för vårt uttalande om styrelsens förslag till dispositioner beträffande bolagets vinst eller förlust har vi granskat om förslaget är förenligt med aktiebolagslagen.

Göteborg den dag som framgår av elektronisk signatur

KPMG AB

Signed by:
Filip Larsson
A6773E4D455D4A4...

Filip Larsson

Auktoriserad revisor

20241219040008

docusign

Certificate Of Completion

Envelope Id: 19455CAC076E4B0BBE51A4C3157A215D — Status: Completed

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Sara Karlsson
Sara.Karlsson@intertrustgroup.com
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12/4/2024 2:27:53 AM

Holder: Sara Karlsson
Sara.Karlsson@intertrustgroup.com

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Signer Events

Erik Wetterling
erik.wetterling@gmail.com
Security Level: Email, Account Authentication (None), Digital Certificate

Signature Provider Details:
Signature Type: DocuSign Protect & Sign (Client ID: dde5e85d-4085-40b6-8785-da3ccd16d81e)
Signature Issuer: DocuSign Cloud Signing CA - SI1

Authentication Details
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Workflow ID: 6b2d3c20-6e49-4c91-b1d1-5bd580d827b6
Workflow Name: DocuSign ID Verification for EU Advanced
Workflow Description: The recipient will need to identify themselves with a valid government ID.
Identification Method: Electronic ID
Type of Electronic ID: BankID Sweden
Transaction Unique ID: e11a9de0-a84e-5b5a-8be2-a300ac5b9d55
Country or Region of ID: SE
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Electronic Record and Signature Disclosure:
Accepted: 12/4/2024 6:38:23 AM
ID: 56adbbf8-7b7f-44ac-9292-eabc3cf014a6

Signature

DocuSigned by:
Erik Wetterling
1E855CD9BC844CE...

Signature Adoption: Pre-selected Style
Using IP Address: 158.174.0.152

Signature Provider Location: https://ps-ws.dsf.docusign.net/ds-server/s/noauth/psm/tsp/sign/psm-docusign/2PSIGAES/SERVID02

Timestamp

Sent: 12/4/2024 2:35:11 AM
Viewed: 12/4/2024 6:38:23 AM
Signed: 12/4/2024 6:38:40 AM

Jessica Tennhagen
Jessica.Tennhagen@intertrustgroup.com
Director
Security Level: Email, Account Authentication (None), Digital Certificate

Signature Provider Details:
Signature Type: DocuSign Protect & Sign (Client ID: dde5e85d-4085-40b6-8785-da3ccd16d81e)
Signature Issuer: DocuSign Cloud Signing CA - SI1

DocuSigned by:
Jessica Tennhagen
FD7CD246C122493...

Signature Adoption: Pre-selected Style
Using IP Address: 185.41.241.202

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Workflow Description: The recipient will need to identify themselves with a valid government ID.
Identification Method: Electronic ID
Type of Electronic ID: BankID Sweden
Transaction Unique ID: 349bf4f1-73b6-5859-a799-0aa392753a00
Country or Region of ID: SE
Result: Passed
Performed: 12/4/2024 4:09:17 AM

Electronic Record and Signature Disclosure:

Signer Events	Signature	Timestamp
Accepted: 12/4/2024 4:09:36 AM ID: d70d34c8-d144-4a3f-b66d-38ec511a6891		
Quinton Hennigh qhennigh@sancristobalmining.com Security Level: Email, Account Authentication (None), Digital Certificate	Signed by: ACC3B92148CD49B...	Sent: 12/4/2024 2:35:15 AM Viewed: 12/4/2024 2:58:50 AM Signed: 12/4/2024 2:59:22 AM
Signature Provider Details: Signature Type: DocuSign Protect & Sign (Client ID: dde5e85d-4085-40b6-8785-da3ccd16d81e) Signature Issuer: DocuSign Cloud Signing CA - SI1	Signature Adoption: Drawn on Device Using IP Address: 62.119.249.6 Signature Provider Location: https://ps-ws.dsf.docusign.net/ds-server/s/noauth/psm/tsp/sign/psm-docusign/2PSIGAES/SERVID02	
Authentication Details Identity Verification Details: Workflow ID: 6b2d3c20-6e49-4c91-b1d1-5bd580d827b6 Workflow Name: DocuSign ID Verification for EU Advanced Workflow Description: The recipient will need to identify themselves with a valid government ID. Identification Method: Government Issued Id Document Type of Document: Passport Identification Level: ID Only Transaction Unique ID: e7775537-1f13-5d92-861d-f4da456851c5 Country or Region of ID: US Result: Passed Performed: 12/4/2024 2:58:00 AM		
Electronic Record and Signature Disclosure: Accepted: 12/4/2024 2:58:50 AM ID: 62420391-8420-4bec-83e8-23d4e16052cd		
Ronan Sabo-Walsh rsabowalsh@sancristobalmining.com Director Security Level: Email, Account Authentication (None), Digital Certificate	DocuSigned by: Ronan Sabo-Walsh EA949D644A304C2...	Sent: 12/4/2024 2:35:14 AM Viewed: 12/4/2024 2:38:16 AM Signed: 12/4/2024 2:38:36 AM
Signature Provider Details: Signature Type: DocuSign Protect & Sign (Client ID: dde5e85d-4085-40b6-8785-da3ccd16d81e) Signature Issuer: DocuSign Cloud Signing CA - SI1	Signature Adoption: Pre-selected Style Using IP Address: 72.139.201.86 Signature Provider Location: https://ps-ws.dsf.docusign.net/ds-server/s/noauth/psm/tsp/sign/psm-docusign/2PSIGAES/SERVID02	
Authentication Details Identity Verification Details: Workflow ID: 6b2d3c20-6e49-4c91-b1d1-5bd580d827b6 Workflow Name: DocuSign ID Verification for EU Advanced Workflow Description: The recipient will need to identify themselves with a valid government ID. Identification Method: Government Issued Id Document Type of Document: Passport Identification Level: ID Only Transaction Unique ID: 0283c45a-1025-5da8-9e67-04a22ddb9d80 Country or Region of ID: CA Result: Passed Performed: 12/4/2024 2:37:35 AM		
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Filip Larsson filip.larsson@kpmg.se Security Level: Email, Account Authentication (None), Digital Certificate	Signed by: Filip Larsson A6773E4D455D4A4...	Sent: 12/4/2024 6:38:45 AM Viewed: 12/4/2024 11:57:14 PM Signed: 12/4/2024 11:57:40 PM
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Authentication Details		

Signer Events	Signature	Timestamp

Identity Verification Details:
Workflow ID: 6b2d3c20-6e49-4c91-b1d1-5bd580d827b6
Workflow Name: DocuSign ID Verification for EU Advanced
Workflow Description: The recipient will need to identify themselves with a valid government ID.
Identification Method: Electronic ID
Type of Electronic ID: BankID Sweden
Transaction Unique ID: d1e3c38d-5954-5b1c-95cd-818238bfa071
Country or Region of ID: SE
Result: Passed
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Electronic Record and Signature Disclosure:
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ID: 0b2861ce-8727-40e5-a6ac-cd3dce48f9ba

In Person Signer Events	Signature	Timestamp
Editor Delivery Events	**Status**	**Timestamp**
Agent Delivery Events	**Status**	**Timestamp**
Intermediary Delivery Events	**Status**	**Timestamp**
Certified Delivery Events	**Status**	**Timestamp**
Carbon Copy Events	**Status**	**Timestamp**
Flaviana Azevedo flaviana.azevedo@intertrustgroup.com Security Level: Email, Account Authentication (None)	COPIED	Sent: 12/4/2024 2:35:11 AM Viewed: 12/4/2024 4:19:53 AM

Electronic Record and Signature Disclosure:
Accepted: 9/16/2024 1:54:40 AM
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Witness Events	Signature	Timestamp
Notary Events	**Signature**	**Timestamp**

Envelope Summary Events	Status	Timestamps
Envelope Sent	Hashed/Encrypted	12/4/2024 2:35:15 AM
Certified Delivered	Security Checked	12/4/2024 11:57:14 PM
Signing Complete	Security Checked	12/4/2024 11:57:40 PM
Completed	Security Checked	12/4/2024 11:57:41 PM

Payment Events	Status	Timestamps

Electronic Record and Signature Disclosure

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20241219040111

Electronic Record and Signature Disclosure created on: 6/28/2024 2:23:52 AM
Parties agreed to: Erik Wetterling, Jessica Tennhagen, Quinton Hennigh, Ronan Sabo-Walsh, Filip Larsson, Flaviana Azevedo

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If you decide to receive notices and disclosures from us electronically, you may at any time change your mind and tell us that thereafter you want to receive required notices and disclosures only in paper format. How you must inform us of your decision to receive future notices and disclosure in paper format and withdraw your consent to receive notices and disclosures electronically is described below.

Consequences of changing your mind

If you elect to receive required notices and disclosures only in paper format, it will slow the speed at which we can complete certain steps in transactions with you and delivering services to you because we will need first to send the required notices or disclosures to you in paper format, and then wait until we receive back from you your acknowledgment of your receipt of such paper notices or disclosures. Further, you will no longer be able to use the DocuSign system to receive required notices and consents electronically from us or to sign electronically documents from us.

All notices and disclosures will be sent to you electronically

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Unless you tell us otherwise in accordance with the procedures described herein, we will provide electronically to you through the DocuSign system all required notices, disclosures, authorizations, acknowledgements, and other documents that are required to be provided or made available to you during the course of our relationship with you. To reduce the chance of you inadvertently not receiving any notice or disclosure, we prefer to provide all of the required notices and disclosures to you by the same method and to the same address that you have given us. Thus, you can receive all the disclosures and notices electronically or in paper format through the paper mail delivery system. If you do not agree with this process, please let us know as described below. Please also see the paragraph immediately above that describes the consequences of your electing not to receive delivery of the notices and disclosures electronically from us.

How to contact CSC- SE/DK:

You may contact us to let us know of your changes as to how we may contact you electronically, to request paper copies of certain information from us, and to withdraw your prior consent to receive notices and disclosures electronically as follows:
To contact us by email send messages to: dominika.knecht@intertrustgroup.com

To advise CSC- SE/DK of your new email address

To let us know of a change in your email address where we should send notices and disclosures electronically to you, you must send an email message to us at dominika.knecht@intertrustgroup.com and in the body of such request you must state: your previous email address, your new email address. We do not require any other information from you to change your email address.

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To withdraw your consent with CSC- SE/DK

To inform us that you no longer wish to receive future notices and disclosures in electronic format you may:

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i. decline to sign a document from within your signing session, and on the subsequent page, select the check-box indicating you wish to withdraw your consent, or you may;

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The minimum system requirements for using the DocuSign system may change over time. The current system requirements are found here: https://support.docusign.com/guides/signer-guide-signing-system-requirements.

Acknowledging your access and consent to receive and sign documents electronically

To confirm to us that you can access this information electronically, which will be similar to other electronic notices and disclosures that we will provide to you, please confirm that you have read this ERSD, and (i) that you are able to print on paper or electronically save this ERSD for your future reference and access; or (ii) that you are able to email this ERSD to an email address where you will be able to print on paper or save it for your future reference and access. Further, if you consent to receiving notices and disclosures exclusively in electronic format as described herein, then select the check-box next to 'I agree to use electronic records and signatures' before clicking 'CONTINUE' within the DocuSign system.

By selecting the check-box next to 'I agree to use electronic records and signatures', you confirm that:

- You can access and read this Electronic Record and Signature Disclosure; and
- You can print on paper this Electronic Record and Signature Disclosure, or save or send this Electronic Record and Disclosure to a location where you can print it, for future reference and access; and
- Until or unless you notify CSC- SE/DK as described above, you consent to receive exclusively through electronic means all notices, disclosures, authorizations, acknowledgements, and other documents that are required to be provided or made available to you by CSC- SE/DK during the course of your relationship with CSC-SE/DK.

San Cristóbal Mining Inc.

CONSOLIDATED FINANCIAL STATEMENTS (AUDITED)

FOR THE YEARS ENDED SEPTEMBER 30, 2024 AND 2023

(Expressed in US dollars)

Independent auditor's report

To the Shareholders of
San Cristobal Mining Inc.

Opinion

We have audited the consolidated financial statements of **San Cristobal Mining Inc.** and its subsidiaries [the "Group"], which comprise the consolidated statements of financial position as at September 30, 2024, and the consolidated statements of income and comprehensive income, consolidated statements of changes in equity and consolidated statements of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of material accounting policy information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at September 30, 2024, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards ["IFRSs"].

Basis for opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the consolidated financial statements* section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of management and those charged with governance for the consolidated financial statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRSs, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

Auditor's responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Ernst & Young LLP

Toronto, Canada
December 11, 2024

Chartered Professional Accountants
Licensed Public Accountants

San Cristóbal Mining Inc.
(Expressed in thousands of US dollars)
Consolidated Statements of Financial Position
As at September 30, 2024 and September 30, 2023

	Notes	September 30, 2024	September 30, 2023
Assets			
Current Assets			
Cash and cash equivalents	5	331,005	147,620
Accounts receivable	6	71,558	91,754
Inventories	7	137,812	121,742
Prepayments and advances		7,238	6,514
Income taxes receivable	9	—	2,509
		547,613	370,139
Non-current Assets			
Accounts receivable	6	30,562	14,956
Inventories	7	75,238	91,977
Investments	8	3,995	—
Mineral properties, plant and equipment	10	238,709	246,108
Other assets		8,984	10,669
Deferred tax assets		36,980	30,153
		394,468	393,863
Total Assets		**942,081**	**764,002**
Liabilities			
Current Liabilities			
Deferred consideration	4	28,696	27,880
Accounts payable and accrued liabilities	11	36,791	31,481
Deferred revenue – inventory advances	12	15,243	34,069
Other liabilities	13	18,712	9,226
Debt	14	80,526	64,264
Historical surtax payable	15	—	13,717
Income taxes payable	9	172,748	—
		352,716	180,637
Non-current Liabilities			
Deferred consideration	4	25,679	50,780
Other liabilities	13	44,589	44,420
Debt	14	31,213	59,959
Historical surtax payable	15	—	44,600
Decommissioning provision	16	220,324	206,768
Deferred tax liabilities		16,548	4,822
		338,353	411,349
Total Liabilities		**691,069**	**591,986**
Equity			
Share capital	17	61,987	47,285
Reserves	17	7,191	8,606
Accumulated other comprehensive income (loss) ("AOCI")		(360)	1,764
Retained earnings		182,194	114,361
Total equity		251,012	172,016
Total Liabilities and Equity		**942,081**	**764,002**

San Cristóbal Mining Inc.
(Expressed in thousands of US dollars, except share and per share amounts)
Consolidated Statements of Income and Comprehensive Income
For the Years Ended September 30, 2024 and 2023

	Notes	Years ended September 30, 2024	2023
Revenue	18	**756,526**	**439,144**
Production costs	7	(393,523)	(366,455)
Depreciation	10	(33,416)	(22,948)
Royalties		(51,513)	(28,561)
Cost of sales		**(478,452)**	**(417,964)**
Gross income		**278,074**	**21,180**
General and administrative expenses		(20,056)	(8,198)
Exploration and project development expenses		(6,093)	(1,070)
Foreign exchange gains		84,662	7,466
Other expenses		(3,657)	(2,384)
Operating income		**332,930**	**16,994**
Finance income		9,799	3,631
Finance costs and accretion expense	19	(43,102)	(31,065)
Fair value gain through profit and loss	8	71	—
Transaction costs		—	(6,688)
Gain on the Transaction	4	—	168,095
Other non-operating expenses		(30)	(22)
Income before income taxes		**299,668**	**150,945**
Income tax expense	23	(197,040)	(19,998)
Withholding tax expense	23	(18,322)	(14,174)
Net income		**84,306**	**116,773**
Fair value gain through other comprehensive income	8	436	—
Remeasurement (losses) gains of post-employment benefit obligations		(3,948)	2,485
Foreign currency translation (losses) gains		(83)	211
Income tax recovery (expense) relating to other comprehensive income	23	1,471	(932)
Comprehensive Income		**82,182**	**118,537**
Weighted average number of common shares outstanding – basic	20	**47,703,854**	**33,344,917**
Net income per common share – basic ($/share)	20	**1.77**	**3.50**
Weighted average number of common shares outstanding – diluted	20	**54,626,656**	**33,344,917**
Net income per common share – diluted ($/share)	20	**1.54**	**3.50**

San Cristóbal Mining Inc.
(Expressed in thousands of US dollars, except share amounts)
Consolidated Statements of Changes in Equity (Deficiency)
For the Years Ended September 30, 2024 and 2023

	Notes	# of Shares	Share Capital	Shares to be Issued	Reserves	AOCI	Retained Earnings (Deficit)	Equity (Deficiency)
September 30, 2022		**15,125,001**	**1,596**	**81**	**—**	**—**	**(2,412)**	**(735)**
Warrant exercises	17	12,975,000	3,339	(81)	(20)	—	—	3,238
Subscription receipt financing	17	15,135,842	30,241	—	—	—	—	30,241
Reclassification of subscription receipt liability	17	—	1,085	—	—	—	—	1,085
Private placements	17	833,334	7,000	—	—	—	—	7,000
Share issue costs	17	—	(997)	—	—	—	—	(997)
Fair value of advisory warrants granted	17	—	(284)	—	6,899	—	—	6,615
Advisory shares	17	2,210,287	5,305	—	—	—	—	5,305
Share-based payments	17	—	—	—	1,727	—	—	1,727
Other comprehensive income		—	—	—	—	1,764	—	1,764
Net income		—	—	—	—	—	116,773	116,773
September 30, 2023		**46,279,464**	**47,285**	**—**	**8,606**	**1,764**	**114,361**	**172,016**
Share-based payments	17	—	—	—	3,494	—	—	3,494
Warrant exercises	17	6,513,775	17,588	—	(4,909)	—	—	12,679
Share redemptions	17	(894,600)	(2,886)	—	—	—	(16,473)	(19,359)
Other comprehensive loss		—	—	—	—	(2,124)	—	(2,124)
Net income		—	—	—	—	—	84,306	84,306
September 30, 2024		**51,898,639**	**61,987**	**—**	**7,191**	**(360)**	**182,194**	**251,012**

San Cristóbal Mining Inc.
(Expressed in thousands of US dollars)
Consolidated Statements of Cash Flows
For the Years Ended September 30, 2024 and 2023

	Notes	Years ended September 30, 2024	2023
Operating Activities			
Net income		84,306	116,773
Change in fair value of deferred consideration		4,875	4,266
Change in fair value of investments	8	(71)	—
Foreign exchange		(2,093)	(7,466)
Accretion expense		8,927	13,977
Depreciation	10	33,417	22,948
Impairment of inventory	7	1,403	745
Defined benefit obligation expense	13	6,092	4,052
Accrued interest		5,575	7,187
Gain on the Transaction	4	—	(168,095)
Share-based payments	17	3,494	1,727
Accrued income tax		183,323	7,470
Interest paid		(30,196)	(11,632)
Income taxes paid		(2,025)	(32,462)
Change in working capital	22	16,222	174,856
Net cash flows provided by operating activities		**313,249**	**134,346**
Investing Activities			
Cash paid for the Transaction	4	—	(268,497)
Cash acquired from the Transaction	4	—	135,973
Purchase of investments		(3,489)	—
Purchase of property, plant and equipment	10	(19,436)	(6,424)
Payment of deferred consideration	4	(29,164)	—
Net cash flows used in investing activities		**(52,089)**	**(138,948)**
Financing Activities			
Issuance of shares (net of share issue costs)		2,820	39,563
Loan and surtax repayments	14, 15	(141,366)	(24,860)
Loan advances (net of financing charges)	14	70,270	135,270
Repurchase and cash cancellation of securities		(9,499)	—
Net cash flows (used in) provided by financing activities		**(77,775)**	**149,973**
Increase in cash and cash equivalents		183,385	145,371
Cash and cash equivalents, beginning of year		147,620	2,249
Cash and cash equivalents, end of year		**331,005**	**147,620**

Supplementary cash flow disclosure (note 22)

1 General information

San Cristóbal Mining Inc. is the ultimate parent company of its subsidiary group (collectively, the "Company", or "San Cristóbal") and was incorporated on January 14, 2022, in the province of British Columbia, Canada. San Cristóbal is domiciled in Canada and its head office is at Suite 1570 – 200 Burrard Street, Vancouver, British Columbia, V6C 3L6.

The Company is engaged in the production and sale of zinc and lead concentrates as well as other related activities, including exploration, extraction and processing. The Company's major products are produced from the San Cristóbal mine in the Nor Lipez province of Bolivia. Additionally, the Company has exploration and project development activities in the vicinity of the San Cristóbal mine.

The Company and Sumitomo Corporation ("Sumitomo") entered into a stock purchase agreement dated January 21, 2023 (the "SPA"), whereby the Company agreed to acquire 100% of the issued and outstanding shares of Comercial Metales Blancos A.B. ("CMB") and 99.7% of the issued and outstanding shares of SC Minerals Bolivia S.R.L. ("SCMB"), which together hold all of the issued and outstanding shares of Minera San Cristóbal S.A. ("MSC") and associated entities (the "Transaction"). MSC owns the San Cristóbal mine. The Transaction closed on February 10, 2023. Please refer to Note 4 for further details.

2 Basis of preparation

a. Statement of compliance

The Company prepares its consolidated financial statements in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board. These consolidated financial statements were approved for issue on December 11, 2024 by the Board of Directors.

b. Foreign currency translation

The functional currency of San Cristóbal Mining Inc. is the US dollar ("USD"), which is also the presentation currency of the Company's consolidated financial statements. The functional currencies of the Company are disclosed in Note 3(b).

c. Basis of measurement

The consolidated financial statements have been prepared on a historical cost basis, except for those assets and liabilities that are measured at their fair values at the end of each reporting period. All values are rounded to the nearest thousand, except where otherwise indicated.

The Company has prepared the consolidated financial statements on the basis that it will continue to operate as a going concern.

d. Estimation uncertainty and accounting policy judgments

The preparation of consolidated financial statements in conformity with IFRS requires management to make estimates and assumptions and accounting policy judgments that may affect the reported amount of assets and liabilities at the date of the consolidated financial statements and the reported amount of revenues and expenses during the year.

The Company's management reviews these estimates and underlying assumptions on an ongoing basis. Estimates are based on historical experience and other factors, including expectation of future events considered to be reasonable under the circumstances. However,

actual results may differ from these estimates. Revisions to accounting estimates are recognized prospectively in the period in which the estimates are revised and any future periods affected.

Key sources of estimation uncertainty that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities are as follows:

Mineral reserve and resource estimates

The Company estimates its mineral resources based on information compiled by a qualified person. Mineral reserves are used in the calculation of depreciation, impairment indicator assessments, and for forecasting the timing of settlement of mine closure, reclamation and rehabilitation costs. There are numerous uncertainties inherent in estimating mineral reserves, and assumptions that are valid at the time of estimation may change significantly when new information becomes available. Changes in the forecasted prices of commodities, exchange rates, production costs or recovery rates could have a material effect on the future of the Company's consolidated financial position and results of operations.

Inventory valuation

Concentrate and stockpile inventory is valued at the lower of average cost and net realizable value. Net realizable value is calculated as the estimated future sales price of the product based on expected future metals prices at the estimated time of sale less the estimated costs to complete production and bring the product to market.

Decommissioning and restoration provisions

Accounting for decommissioning and restoration provisions requires management to make estimates of the future costs the Company will incur to complete the restoration and remediation work required to comply with its permits, existing laws and regulations. Actual costs incurred may differ from those amounts estimated. In addition, future changes to environmental laws and regulations could increase the extent of restoration work required to be performed by the Company. Increases in future costs could materially impact the provision for restoration. The provision represents management's best estimate of the present value of the future restoration and remediation costs.

Business combination

Upon the acquisition of a business, the acquisition method of accounting is used, whereby the purchase consideration is allocated to the identifiable assets, liabilities and contingent liabilities acquired on the basis of fair value at the date of acquisition. The fair value of the identifiable assets and liabilities requires the Company to use various estimates in the valuation of each item including, but not limited to, expected future cash flows. Changes in these estimates, due to a variety of reasons, may result in fair value changes in future periods.

When the cost of the acquisition exceeds the fair value attributable to the Company's share of the identifiable net assets, the difference is treated as goodwill, which is not amortized and is reviewed for impairment annually or more frequently when there is an indication of impairment. If the fair value attributable to the Company's share of the identifiable net assets exceeds the cost of acquisition, the difference is immediately recognized as a gain on the transaction in the consolidated statements of income and comprehensive income.

Deferred consideration

The measurement of deferred consideration requires the Company to estimate its fair value at each reporting date, which is based upon the expected probability, timing and amount of the consideration that will ultimately be paid. Changes in expected fulfillment or timing of the deferred consideration requirements could have a material impact to their future measurement.

Areas of accounting policy significant judgment are as follows:

Deferred tax assets

In assessing the probability of realizing income tax assets recognized, the Company makes judgments related to expectations of future taxable income, applicable tax planning opportunities, expected timing of reversals of existing temporary differences and the likelihood that tax positions taken will be sustained upon examination by applicable tax authorities. In making its assessments, the Company gives additional weight to positive and negative evidence that can be objectively verified. Estimates of future taxable income are based on forecasted cash flows from operations and the application of existing tax laws in each jurisdiction. The Company considers relevant tax planning opportunities that are within the Company's control, are feasible and within management's ability to implement. Examination by applicable tax authorities is supported based on individual facts and circumstances of the relevant tax position examined in light of all available evidence. Where applicable tax laws and regulations are either unclear or subject to ongoing varying interpretations, it is reasonably possible that changes in these estimates can occur that materially affect the amounts of income tax assets recognized. Also, future changes in tax laws could limit the Company from realizing the tax benefits from the deferred tax assets. The Company reassesses unrecognized income tax assets at each reporting period.

3 Material accounting policy information

a. Business combinations

Upon the acquisition of a business, the acquisition method of accounting is used, whereby the purchase consideration is allocated to the identifiable assets, liabilities and contingent liabilities (identifiable net assets) acquired on the basis of fair value at the date of acquisition. When the cost of the acquisition exceeds the fair value attributable to the Company's share of the identifiable net assets, the difference is treated as goodwill, which is not amortized and is reviewed for impairment annually or more frequently when there is an indication of impairment. If the fair value attributable to the Company's share of the identifiable assets exceeds the cost of acquisition, the difference is immediately recognized in the consolidated statements of income and comprehensive income. Acquisition-related costs, other than costs to issue debt or equity securities of the acquirer, including investment banking fees, legal fees, accounting fees, valuation fees, and other professional or consulting fees, are expensed as incurred.

b. Consolidation

The accounts of the Company and its subsidiaries, which are controlled by the Company, have been included in these consolidated financial statements. Control is achieved when the Company is exposed, or has rights, to variable returns from the investee and when the Company has the ability to affect those returns through its power over the investee. Subsidiaries are included in the consolidated financial results of the Company from the effective date the Company obtains control and up to the effective date of disposition or loss of control. The principle subsidiaries of the Company and their geographic locations at September 30, 2024 were as follows:

Country of Incorporation and Principal Place of Business	Entity	Functional Currency	Percentage Holding	
			September 30, 2024	September 30, 2023
Canada	San Cristóbal Mining Holdings	USD	100%	100%
USA	San Cristóbal Mining USA Inc	USD	100%	100%
Australia	San Cristóbal Mining Australia Pty Ltd	AUD	100%	100%
Sweden	Comercial Metales Blancos A.B.	SEK	100%	100%
Switzerland	SanCris Minerals GmbH (in liquidation)	CHF	100%	100%
Bolivia	SC Minerals Bolivia SRL	BOB	99.6835%	99.6835%
Bolivia	Minera San Cristóbal SA	USD	99.9995%	99.9995%
Bolivia	Silex Bolivia SA	USD	99.999%	99.999%
Bolivia	Empresa Minera MEMISA SA	USD	99.999%	99.999%

c. Financial instruments

IFRS 9, *Financial Instruments* ("IFRS 9") addresses the classification, measurement and recognition of financial assets and financial liabilities. IFRS 9 requires financial assets to be classified into one of three measurement categories: those measured at fair value through profit and loss ("FVTPL"), at fair value through other comprehensive income ("FVTOCI"), and at amortized cost. The determination is made at initial recognition. The classification depends on the entity's business model for managing its financial instruments and the contractual cash flow characteristics of the instrument. Financial liabilities are initially recorded at fair value, net of transaction costs, and are subsequently measured at amortized cost using the effective interest rate method or at FVTPL.

Cash and cash equivalents

Cash and cash equivalents comprise cash in bank accounts and on hand and other short-term highly liquid investments with initial maturities at the time of acquisition of less than 90 days.

Settlement accounts receivable

Settlement accounts receivable from concentrate sales are classified as FVTPL and recorded at the fair value at each reporting period based on estimates of quoted commodity prices up to the date of final pricing and provisional quantity adjustments. The changes in fair value are recorded in operating income.

Trade accounts receivable

Trade accounts receivable relate to amounts owing from sales under the Company's offtake agreements. These receivables are non-interest bearing and are recognized at fair value and are subsequently measured at amortized cost. Trade accounts receivable recorded are net of lifetime expected credit losses.

Deferred consideration

Deferred consideration relates to the Transaction whereby a portion of the consideration payable to the seller is contingent on future events. Such consideration is classified at FVTPL and is recorded at the fair value at each reporting period. The changes in fair value are recorded in other operating income (expense).

Accounts payable and accrued liabilities and debt

Accounts payable and accrued liabilities and debt are recorded at amortized cost. Any difference between the amounts originally received, net of transaction costs, and the redemption amount is recognized in net income over the period to maturity using the effective interest rate method.

Modification of contractual cash flows

A substantial modification of the terms of a financial liability is accounted for as an extinguishment of the existing financial liability and the recognition of a new financial liability. The terms are substantially different if the net present value of the cash flows discounted using the original effective interest rate under the new terms is at least 10% different from the discounted present value of the remaining cash flows of the original financial liability.

When the contractual cash flows of a financial liability are renegotiated or otherwise modified and the renegotiation or modification does not result in the extinguishment of the financial liability, the Company recalculates the gross carrying amount of the financial liability and recognizes a modification gain or loss in net income or loss. The gross carrying amount of the financial liability is calculated as the present value of the modified contractual cash flows that are discounted at the financial asset or financial liability's original effective interest rate.

Derivatives

Derivatives are classified as FVTPL and initially recognized at their fair value on the date the derivative contract is entered into and transaction costs are expensed. Derivatives are subsequently remeasured at their fair value at each consolidated statement of financial position date, with changes in fair value recognized through profit and loss. Fair values for derivative instruments are determined using valuation techniques, with assumptions based on market conditions existing at the consolidated statement of financial position date or settlement date of the derivative.

Derivatives embedded in debt instruments or non-financial host contracts are treated as separate derivatives when their risks and characteristics are not closely related to their host contracts.

Fair value

The fair value of quoted investments is determined by reference to market prices at the close of business on the consolidated statement of financial position date. Where there is no active market, fair value is determined using valuation techniques. These include using recent arm's length market transactions; reference to the current market value of another instrument that is substantially the same; discounted cash flow analysis; and pricing models.

Financial instruments that are measured at fair value subsequent to initial recognition are grouped into a hierarchy based on the degree to which the fair value is observable as follows:

Level 1 fair value measurements are quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability either directly (i.e., as prices) or indirectly (i.e., derived from prices); and

Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Expected credit losses

For trade accounts receivable, the Company applies the simplified approach to determining expected credit losses, which requires expected lifetime losses to be recognized upon initial recognition of the receivables.

Financial assets at FVTOCI

Certain investments in equity instruments are classified at FVTOCI and are initially recognized at fair value plus transaction costs. The Company can elect to classify irrevocably its equity instruments designated at FVTOCI when they meet the definition of equity and are not held for trading. The classification is determined on an instrument-by-instrument basis and the Company considers these investments to be strategic in nature. Subsequently, they are measured at fair value, with gains and losses arising from changes in fair value recognized in other comprehensive income ("OCI").

Gains and losses on these financial assets are never recycled to profit or loss. Dividends are recognized as other income in the consolidated statements of income and comprehensive income when the right of payment has been established, except when the Company benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case such gains are recorded in OCI. Equity instruments designated at FVTOCI are not subject to impairment assessment.

d. Inventory

Cost of inventories

The costs to purchase inventories (e.g., materials, supplies and spare parts) comprise the purchase price, taxes (other than those subsequently recoverable by the entity from the taxing authorities), and handling and other costs directly attributable to the acquisition of finished goods, materials and services. Import duties and handling costs are not transferred to inventory but rather recognized through cost of sales.

The costs of conversion of inventories include costs directly related to the units of production, such as direct labour and the cost incurred to bring the ore to the processing plant from the mine or from the ore stockpiles. They also include a systematic allocation of fixed and variable production overheads that are incurred in converting materials into concentrate. Fixed production overheads are those indirect costs of production that remain relatively constant regardless of the volume of production, such as depreciation and maintenance of processing buildings, equipment and right-of-use assets used in the production process, and the cost of processing management and administration. Variable production overheads are those indirect costs of production that vary directly, or nearly directly, with the volume of production, such as indirect materials and indirect labour.

Other costs are included in the cost of inventories only to the extent that they are incurred in bringing the inventories to their present location and condition.

The Company utilizes the weighted average cost formula for the determination of cost of inventories. The cost of each item is determined from the weighted average of the cost of similar items at the beginning of a period and the cost of similar items purchased or produced during the period.

Net realizable value

Net realizable value represents the estimated future sales price of the product based on expected future metals prices at the estimated time of sale less the estimated costs to complete production and bring the product to market.

Materials, supplies and spare parts

The allowance for overstock items is recorded considering materials with low movement. Due to their characteristics and status, items that are provided for are not expected to be used during the mine life. The allowance is net of an expected salvage value for such items of 3% of original cost, which has been determined based on historical data.

Concentrate

Concentrate inventories represent silver bearing zinc and lead concentrates available for shipment. Concentrate inventories are valued at the lower of the weighted average cost of the ore sent to the processing plant from the mine or from the ore stockpiles plus the plant processing costs incurred, including applicable depreciation related to the processing facilities and an allocatable portion of mine site administrative costs and related overheads, and net realizable value.

Ore stockpiles

Ore stockpiles represent ore that has been mined and is available for further processing. Ore stockpiles are measured by estimating the number of tons added and removed from the stockpile. Costs are allocated to ore stockpiles based on current mining costs incurred up to the point of stockpiling the ore, including depreciation, depletion and amortization relating to mining operations. Material is removed from the stockpile at the weighted average cost per ton. The Company allocates all waste removal costs to production expense. The current portion of ore stockpiles is determined based on the expected amounts to be processed within the next 12 months. Ore stockpiles that are not expected to be processed within the next 12 months are classified as non-current.

e. Mineral properties, plant and equipment

Exploration and evaluation expenditures

Property acquisition costs are capitalized. These costs include mineral licenses fees and payments for title. Other exploration and evaluation costs are capitalized if they relate to specific properties for which mineral resources exist or are near a specific property with existing mineral resources and the Company expects to recover such expenditure by future exploitation or sale. All other costs are charged to income in the year in which they are incurred. When the technical feasibility and commercial viability of a property has been established, capitalized exploration and evaluation costs are reclassified to mineral properties and tested for impairment.

The establishment of technical feasibility and commercial viability of a mineral property is assessed based on a combination of factors, including: the extent to which mineral reserves or mineral resources have been identified through a feasibility study or similar document; the results of optimization studies and further technical evaluation carried out to mitigate project risks identified in the feasibility study; the status of environmental permits; and the status of mining leases or other development permits.

Mine development

The application of the Company's accounting policy for capitalization of exploration and evaluation expenditures requires judgment in determining whether the future economic benefit is likely, either through future exploitation or sale, where properties have not reached a stage that permits a reasonable assessment of the existence of mineral reserves. The deferral policy requires management to make certain judgments about future events or circumstances, in particular whether an economically viable mine can be established. Judgments made may change if new information becomes available. If, after the expenditure is capitalized, information becomes available suggesting that the recovery of the expenditure is unlikely, the amount capitalized is written off in the consolidated statements of income and comprehensive income in the period when the new information becomes available.

Major development expenditures on producing properties incurred to increase production or extend the life of the mine are capitalized while ongoing mining expenditures on producing properties are charged against income as incurred. Gains or losses from sales or retirements of assets are included in gain or loss on sale of assets.

Plant and equipment

Plant and equipment are recorded at cost less accumulated depreciation. Costs for facilities under construction include all expenditures incurred directly in connection with project development.

Depreciation

The following table outline the methods used to amortized mineral properties, plant and equipment:

Assets	Depreciation Method
Mobile equipment	Straight-line 5–8 years
Other furniture and equipment	Straight-line 3–5 years
Plant, mining equipment, railroad, mineral properties	Units of production using applicable reserves
Exploration and evaluation	Not depreciated until mine goes into production
Assets under construction	Not depreciated until assets are ready for intended use

Impairment of mineral properties, plant and equipment

Management assesses at each reporting period-end whether there is an indication that an item of mineral properties, plant and equipment may be impaired. If there are indicators of impairment, the recoverable amount of the asset is estimated in order to determine the extent of any impairment. Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash generating unit ("CGU") to which the asset belongs. CGUs are individual operating mines or exploration and development projects. The recoverable amount of an asset or CGU is determined as the higher of its fair value less costs of disposal and its value in use. In assessing value in use, estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In assessing fair value less costs of disposal, fair value is the price that would be received from selling an asset in an orderly transaction between market participants at the measurement date. For mining assets, fair value less costs of disposal is typically estimated using a discounted cash flow approach. If the recoverable amount of an asset or CGU is estimated to be less than its carrying value, the carrying amount of the asset or CGU is reduced to its recoverable amount. When an impairment loss exists, it is recorded as an expense immediately.

Where an impairment in value subsequently reverses, the carrying amount of the asset or CGU is increased to the revised estimate of its recoverable amount, but to an amount that does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset in prior years. A reversal of an impairment loss is recognized immediately in income.

f. Leases

At the inception of a contract, the Company assesses whether the contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. The Company assesses whether the contract involves the use of an identified asset, whether the Company has the right to obtain substantially all of the economic benefits from use of the asset during the term of the arrangement and whether the Company has the right to direct the use of the asset. At inception or on reassessment of a contract that contains a lease component, the Company allocates the consideration in the contract to each lease component on the basis of their relative stand-alone prices.

As a lessee, the Company recognizes a right-of-use asset, which is included in mineral property, plant and equipment, and a lease liability at the commencement date of a lease. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any decommissioning and restoration costs, less any lease incentives received.

The right-of-use asset is subsequently depreciated from the commencement date to the earlier of the end of the lease term or the end of the useful life of the asset. In addition, the right-of-use asset may be reduced due to impairment losses, if any, and adjusted for certain remeasurements of the lease liability. A lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate. Lease liabilities include the net present value of lease payments, which consist of:

- Fixed payments, including in-substance fixed payments, less any lease incentives receivable;
- Variable lease payments that depend on an index or a rate, initially measured using the index or a rate as at the commencement date;
- Amounts expected to be payable under a residual value guarantee;
- Exercise prices of purchase options if the Company is reasonably certain to exercise that option; and
- Payments of penalties for terminating the lease, if the lease term reflects the Company exercising an option to terminate the lease.

The lease liability is measured at amortized cost using the effective interest rate method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, or if there is a change in the Company's estimate or assessment of the expected amount payable under a residual value guarantee, purchase, extension or termination option. Variable lease payments not included in the initial measurement of the lease liability are charged directly to income. The Company has elected not to recognize right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets. The lease payments associated with these leases are charged directly to income on a straight-line basis over the lease term.

g. Employee benefits

Defined benefit obligation

The defined benefit plan liability recognized in the consolidated statements of financial position represents the present value of the defined benefit obligation. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method.

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms approximating to the terms of the related obligation. In countries where there is no deep market in such bonds, the market rates on government bonds are used.

The net interest cost is calculated by applying the discount rate to the balance of the defined benefit obligation. This cost is included in employee benefit expense in the consolidated statements of income and comprehensive income.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognized in the period in which they occur, directly in OCI. They are included in AOCI in the consolidated statements of changes in equity (deficiency) and in the consolidated statements of financial position.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognized immediately in profit or loss as past service costs.

Other post-employment obligations

The Company provides post-retirement benefits to its retirees. The entitlement to these benefits is usually conditional on the employee remaining in service up to retirement age and the completion of a minimum service period. The expected costs of these benefits are accrued over the period of employment using the same accounting methodology as used for defined benefit pension plans. Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognized in profit or loss in the period in which they arise.

h. Decommissioning and restoration provisions

Future obligations to retire an asset, including dismantling, remediation and ongoing treatment and monitoring of the site related to normal operations, are initially recognized and recorded as a liability based on estimated future cash flows discounted at a risk-free rate. The decommissioning provision is adjusted at each reporting period for changes to factors including the expected amount of cash flows required to discharge the liability, the timing of such cash flows, the inflation rate and the risk-free discount rate.

The restoration provision is accreted to full value over time through periodic charges to income. The amount of the restoration provision initially recognized is capitalized as part of the related asset's carrying value and amortized to income. The method of amortization follows that of the underlying asset. The costs related to a restoration provision are only capitalized to the extent that the amount meets the definition of an asset and can bring about future economic benefit. A revision in estimates or a new disturbance will result in an adjustment to the liability with an offsetting adjustment to the related asset.

i. Provisions

Provisions are recognized when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and the amount can be reliably estimated. Provisions are measured at management's best estimate of the expenditure required to settle the obligation at the end of the reporting period, and are discounted to present value where the effect is material.

j. Revenue

The Company's revenue consists of sales of zinc and lead concentrates. The Company's performance obligation relates primarily to the delivery of these products to its customers.

Revenue is recognized at the point in time when the customer obtains control of the product. Control is achieved when a product is delivered to the customer, the Company has a present right to payment for the product, significant risks and rewards of ownership have been transferred to the customer according to the contract terms and there is no unfulfilled obligation that could affect the customer's acceptance of the product.

The Company's metal concentrates are sold under pricing arrangements where final prices are determined by quoted market prices in a period subsequent to the date of sale. For these sales, revenue is recorded based on the estimated consideration to be received at the date of sale, with reference to relevant commodity market prices. Adjustments are to be made to settle receivables in subsequent periods based on movement in quoted commodity prices up to the date of final pricing. This adjustment mechanism is based on the market price of the commodity and, accordingly, the changes in value of the settlement receivables are not considered to be revenue from contracts with customers.

Metal concentrate sales are billed based on provisional weights and assays upon the passage of control to the customer. The first provisional invoice is billed to the customer at the time of transfer of control. As final prices, weights and assays are received, additional invoices are issued and collected. In general, consideration is promptly collected from customers; however, the payment terms are customer-specific and subject to change based on market conditions and other factors.

k. Income taxes

Income tax expense comprises current and deferred taxes. Income tax expense is recognized in the consolidated statements of income and comprehensive income except to the extent that it relates to items recognized either in OCI or directly in equity, in which case it is recognized in OCI or in equity, respectively.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years. Deferred income tax is recognized, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the consolidated statement of financial position date and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled.

A deferred tax asset is recognized to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

l. Share capital

The Company records proceeds from share issuances net of issue costs. Common shares issued for consideration other than cash are valued based on their fair value on the date of issuance. Professional, consulting, regulatory and other costs directly attributable to equity transactions are recorded as share issuance costs.

The Company follows the residual method with respect to the measurement of common shares and common share purchase warrants issued as private placement units. Proceeds from private placements are first allocated to the common shares contained in the units based on the market value of shares on the date of issuance, with any residual amount allocated to warrants in the units. If the proceeds are less than or equal to the estimated fair market value of the share issuance, a $nil carrying amount is assigned to the warrants.

m. Income per share

Basic income per share is calculated by dividing the net income attributable to common shareholders by the weighted average number of common shares outstanding in the period.

Diluted income per share is calculated using the treasury stock method. Under the treasury stock method, the weighted average number of common shares outstanding for the calculation of diluted income per share assumes that the proceeds to be received on the exercise of dilutive share options and warrants are used to repurchase common shares at the average market price during the period. In periods of loss, basic and diluted income per share are the same as dilutive instruments and have an anti-dilutive effect.

n. Share-based payments

The Company makes share-based awards, including stock options and equity compensation warrants, to certain employees.

For equity-settled awards, the fair value is charged to the consolidated statements of income and comprehensive income and credited to equity, on a straight-line basis over the vesting period, after adjusting for the estimated number of awards that are expected to vest. The fair value of the equity-settled awards is determined at the date of grant, with the Company's share price estimated using a number of factors including, but not limited to, the Company's valuation, external valuations, and external transactions of the Company's shares. Non-vesting conditions and market conditions are factored into the determination of fair value at the date of grant. All other vesting conditions are excluded from the determination of fair value and included in management's estimate of the number of awards ultimately expected to vest.

The fair value is determined by using the Black-Scholes option pricing model. At each consolidated statement of financial position date prior to vesting, the cumulative expense representing the extent to which the vesting period has expired and management's best estimate of the awards that are ultimately expected to vest is computed. The movement in cumulative expense is recognized in the consolidated statements of income and comprehensive income with a corresponding entry within equity. No expense is recognized for awards that do not ultimately vest, except for awards where vesting is conditional upon a market condition, which are treated as vested irrespective of whether or not the market condition is satisfied, provided that all other performance conditions are satisfied.

Where the terms of an equity-settled award are modified, as a minimum, an expense is recognized as if the terms had not been modified over the original vesting period. In addition, an expense is recognized for any modification, which increases the total fair value of the share-based payment arrangement, or is otherwise beneficial to the employee as measured at the date of modification, over the remainder of the new vesting period.

Where an equity-settled award is cancelled, it is treated as if it had vested on the date of cancellation, and any expense not yet recognized for the award is recognized immediately. Any compensation paid up to the fair value of the awards at the cancellation or settlement date is deducted from equity, with any excess over fair value being treated as an expense in the consolidated statements of income and comprehensive income. However, if a new award is substituted for the cancelled award, and designated as a replacement award on the date that it is granted, the new awards are treated as if they are a modification of the original award, as described in the previous paragraph.

On exercise, the associated option value in the equity reserve is reclassified to share capital.

o. Borrowing costs and upfront costs

Borrowing costs that are directly attributable to the acquisition, construction or production of qualifying assets are capitalized. Qualifying assets are assets that require a substantial amount of time to prepare for their intended use, including mineral properties in the evaluation stage where there is a high likelihood of commercial exploitation. Qualifying assets also include significant expansion projects at the operating mines. Borrowing costs are considered an element of the historical cost of the qualifying asset. Capitalization ceases when the asset is substantially complete or if construction is interrupted for an extended period. Where the funds used to finance a qualifying asset form part of general borrowings, the amount capitalized is calculated using a weighted average of rates applicable to the relevant borrowings during the period. Where funds borrowed are directly attributable to a qualifying asset, the amount capitalized represents the borrowing costs specific to those borrowings. Where surplus funds available out of money borrowed specifically to finance a project are temporarily invested, the total borrowing cost is reduced by income generated from short-term investments of such funds.

Upfront costs incurred in connection with entering new credit facilities are recorded as other assets and are amortized over the life of the respective credit facilities.

p. Deferred stripping costs

In open pit mining operations, it is necessary to remove overburden and other waste in order to access the ore body. During the preproduction phase, these costs are capitalized as part of the cost of the mineral properties and subsequently amortized over the life of the mine (or pit) on a units of production basis.

The costs of removal of the waste material during a mine's production phase are deferred where they give rise to future benefits. These capitalized costs are subsequently amortized on a unit of production basis over the reserves that directly benefit from the specific stripping activity.

q. Foreign currency translation

The Company's function currency is the USD, as this is the principal currency of the economic environments in which they operate (refer to Note 3(b)). Transaction amounts denominated in foreign currencies (currencies other than the entity's functional currency) are translated into the entity's functional currency at exchange rates prevailing at the transaction dates. Carrying values of foreign currency monetary assets and liabilities are re-translated at each consolidated statement of financial position date to reflect the relevant exchange rate prevailing at that date.

Gains and losses arising from translation of foreign currency monetary assets and liabilities at each period-end are included in income except for differences arising on decommissioning provisions that are capitalized for operating mines.

Assets and liabilities of subsidiaries that have a functional currency other than USD are translated into USD at the exchange rate in effect on the consolidated statements of financial position date, and revenues and expenses are translated at the average rate over the reporting period. Gains and losses from these translations are recognized in OCI.

r. New accounting pronouncements

The following amendments to accounting standards issued are relevant to the Company but not yet effective on September 30, 2024.

Amendments to IAS 1 – Non-current liabilities with covenants

The new amendments aim to improve the information an entity provides when its right to defer settlement of a liability is subject to compliance with covenants within 12 months after the reporting period.

The amendments are effective for the Company from October 1, 2024, will be applied retrospectively and are not expected to significantly impact the Company.

Amendments to IAS 7 and IFRS 7 – Supplier finance arrangements

These disclosure requirements are to enhance the transparency of supplier finance arrangements and their effects on a company's liabilities, cash flows and exposure to liquidity risk.
The amendments are effective for the Company from October 1, 2024, will be applied retrospectively and are not expected to significantly impact the Company.

Amendments to IAS 21 – Lack of exchangeability
The amendments respond to stakeholder feedback and concerns about diversity in practice in accounting for a lack of exchangeability between currencies. The amendments will help companies and investors by addressing a matter not previously covered in the accounting requirements for the effects of changes in foreign exchange rates.

These amendments will require companies to apply a consistent approach in assessing whether a currency can be exchanged into another currency and, when it cannot, in determining the exchange rate to use and the disclosures to provide.

The amendments are effective for the Company from October 1, 2024, will be applied retrospectively and are not expected to significantly impact the Company.

Amendments to IFRS 9 and IFRS 7 – Amendments to the Classification and Measurement of Financial Instruments

These amendments address diversity in accounting practice by making the requirements more understandable and consistent.

The amendments are effective for the Company from October 1, 2026, will be applied retrospectively and are not expected to significantly impact the Company.

IFRS 18 – Presentation and Disclosure in Financial Statements

IFRS 18 is the new standard on financial statement presentation and disclosure with a focus on updates to the statement of profit or loss. IFRS 18 will replace IAS 1, *Presentation of Financial Statements*, and retains many of the existing principles in IAS 1.

The amendments are effective for the Company from October 1, 2027, will be applied retrospectively and are expected to significantly impact the Company.

4 Business combination

On January 21, 2023, San Cristóbal entered into the SPA with Sumitomo to acquire 100% of the issued and outstanding shares of CMB and 99.7% of the issued and outstanding shares of SCMB, and all of their subsidiaries, for consideration with an acquisition date fair value of $331,000. The Transaction closed on February 10, 2023. Of the $331,000 purchase price, $74,450 relates to deferred consideration whereby San Cristóbal, at a future date, will or may need to make payments to Sumitomo based on deferred or contingent events. Deferred events relate to the completion of the oxide silver project feasibility study and a payment relating to the restart of operations at the Port of Mejillones in Chile, while contingent events relate to the completion of the oxide silver project final investment decision, commencement of production for the oxide silver development project at certain threshold recovery rates, production of the Isidorito project at certain mining and processing rates, and MSC free cash flow amounts. MSC has guaranteed the Company's consideration payments. These amounts were determined based on their fair value through an analysis of the probabilities of each of these events occurring.

During the year ended September 30, 2024, the Company paid $29,164 to Sumitomo, which represented the deferred payment of $26,800 relating to the restart of operations at the Port of Mejillones plus interest.

Details of the purchase consideration fair value on the date of the Transaction are as follows:

Upfront cash consideration	256,550
Deferred consideration	43,000
Deferred contingent consideration	31,450
Total consideration	**331,000**

The assets and liabilities recognized as a result of the Transaction are as follows:

	Fair Value
Cash and cash equivalents	135,973
Accounts receivable	113,242
Inventories	318,417
Mineral properties, plant and equipment	117,801
Prepayments and advances	3,892
Mineral properties – Isidorito project	35,000
Long-term VAT receivable	23,949
Deferred tax assets	10,012
Accounts payable and accrued liabilities	(48,181)
Decommissioning provision	(93,537)
Other liabilities	(23,318)
Income taxes payable	(94,155)
Total assets acquired and liabilities assumed, net	**499,095**

The fair value of the net assets acquired was greater than the fair value of the consideration due to Sumitomo's willingness to transact and the Company's ability to negotiate a favourable transaction on account of the October 2022 fire incident at the Port of Mejillones, which impacted MSC's ability to export concentrates, resulting in a bargain purchase gain of $168,095.

The Company recorded $6,688 of acquisition-related costs during the year ended September 30, 2023, which were presented as transaction costs. If the Transaction had occurred at the beginning of the 2023 year, the Company's revenue would have been $534,900.

5 Cash and cash equivalents

Of the balance as at September 30, 2024, cash and cash equivalents totalling $153,649 (2023: $113,175) relate to amounts held in short-term fixed deposits. The remaining balance consists of cash totalling $177,356 (2023: $34,445), which relates to amounts held in operating bank accounts.

6 Accounts receivable

	September 30, 2024	September 30, 2023
Current accounts receivable		
Trade accounts receivable	24,400	25,305
Settlement accounts receivable	—	20,998
VAT receivable	43,637	40,772
Other receivables	3,521	4,679
Total current accounts receivable	**71,558**	**91,754**
Non-current accounts receivable		
VAT receivable	30,562	14,956
Total accounts receivable	**102,120**	**106,710**

Trade accounts receivable have allowances for credit losses of $nil as at September 30, 2024 (2023: $nil).

Settlement accounts receivable reflect the effect of mark-to-market price adjustments related to the quality and quantity of concentrate that remains to be settled with customers.

The current VAT receivable represents Solicitudes de Devolución de Impuestos ("SDIs") that have been filed with the Bolivian Servicio de Impuestos Nacionales ("SIN"), with most cases already audited by SIN. All current amounts as at September 30, 2024 are expected to be received within 12 months and pertain to the period from February 2023 to January 2024.

The non-current VAT receivable as at September 30, 2024 represents SDIs filed with SIN and pertains to the periods from February 2024 to September 2024. The Company has determined that the expected credit losses related to these SDIs are immaterial.

7 Inventories

Inventories relate to zinc and lead concentrates located at the San Cristóbal mine and the Company's port facilities, materials and supplies including components, fuel, reagents and operating supplies at the San Cristóbal mine, and ore stockpiles at the San Cristóbal mine. Non-current inventories consist of ore stockpiles as well as related materials and supplies that are not expected to be processed or used within 12 months.

	September 30, 2024	September 30, 2023
Current inventories		
Materials and supplies	59,935	62,944
Ore stockpiles	29,663	23,941
Concentrate inventory	48,214	34,857
Total current inventories	**137,812**	**121,742**
Non-current inventories		
Ore stockpiles	53,008	60,000
Materials and supplies	22,230	31,977
Total inventories	**213,050**	**213,719**

Production costs of $393,523 (2023: $366,455) include a cost recovery of $416,053 (2023: expense of $69,295) that was recognized as part of inventories and subsequently expensed when sold during the period.

Total inventory write-downs in 2024 were $1,403 (2023: $745) and were included as part of cost of sales.

8 Investments

The Company holds common shares and warrants in public companies. The common shares have been accounted for as marketable securities and have thus initially been recognized at fair value and subsequently remeasured at FVTOCI. The warrants qualified as a derivative and have thus initially been recognized at fair value and subsequently remeasured at FVTPL.

	Investments FVTPL
Balance, September 30, 2023	**—**
Additions	785
Fair value adjustment	71
Balance, September 30, 2024	**856**

	Investments FVTOCI
Balance, September 30, 2023	**—**
Additions	2,703
Fair value adjustment	436
Balance, September 30, 2024	**3,139**

9 Income tax (payable) receivable

	September 30, 2024	September 30, 2023
Income tax receivable	29,648	51,436
Income tax payable	(202,396)	(48,927)
Net income tax (payable) receivable	**(172,748)**	**2,509**

10 Mineral properties, plant and equipment

	Exploration and Evaluation Assets	Mineral Properties	Plant and Machinery	Other	Total
Cost					
Balance, October 1, 2022	—	—	—	—	—
Additions	1,695	—	1,118	3,869	6,682
Assets acquired as part of the Transaction	43,275	39,800	53,197	16,103	152,375
Changes in estimate of decommissioning provision	—	110,000	—	—	110,000
Balance, September 30, 2023	**44,970**	**149,800**	**54,315**	**19,972**	**269,056**
Additions	16,820	—	1,447	7,751	26,018
Reclassification	(4,068)	—	—	4,068	—
Disposals	—	—	(401)	(359)	(760)
Balance, September 30, 2024	**57,722**	**149,800**	**55,362**	**31,431**	**294,314**
Accumulated depreciation					
Balance, October 1, 2022	—	—	—	—	—
Depreciation	—	13,223	6,063	3,662	22,948
Balance, September 30, 2023	**—**	**13,223**	**6,063**	**3,662**	**22,948**
Depreciation	—	20,698	7,057	5,661	33,416
Disposals	—	—	401	359	760
Balance, September 30, 2024	**—**	**33,922**	**13,520**	**9,682**	**57,124**
Net book value					
Balance, September 30, 2023	44,970	136,577	48,252	16,310	246,108
Balance, September 30, 2024	**55,762**	**115,878**	**45,750**	**21,749**	**238,709**

The Company's mineral properties are located in Bolivia and primarily include the San Cristóbal mine, the Isidorito exploration project, and surrounding properties.

Right-of-use assets are included in the 'Other' column above.

	Right-of-Use Assets
Cost	
Balance, September 30, 2023	**1,625**
Balance, September 30, 2024	**1,625**
Accumulated depreciation	
Balance, September 30, 2023	**1,010**
Depreciation	615
Balance, September 30, 2024	**1,625**
Net book value	
Balance, September 30, 2023	615
Balance, September 30, 2024	**—**

The Company has two contracts with embedded leasing arrangements for assets operated exclusively for the Company's use and that have been accounted for under IFRS 16, *Leases* ("IFRS 16"). These right-of-use assets include the following contracts:

a. Port of Mejillones agreement related to services at the port facilities in Mejillones, Chile. Certain assets constructed at the port are for the exclusive use of the Company, including concentrate reception, unloading and storage facilities. The agreement expired in September 2024. A five-month amendment was signed, which the Company did not recognize pursuant to IFRS 16 due to its short-term nature.

b. San Cristóbal Transportadora de Electricidad S.A. agreement, related to transmission services to transport power for the San Cristóbal mine from the Bolivian power grid. Although the agreement was renewed from December 2023 until November 2028, the renewed arrangement did not fall into the scope of IFRS 16.

11 Accounts payable and accrued liabilities

Accounts payable and accrued liabilities consist of the following:

	September 30, 2024	September 30, 2023
Trade accounts payable and accruals	33,582	29,900
Settlement accounts payable	1,222	—
Other	1,987	1,581
Total accounts payable and accrued liabilities	**36,791**	**31,481**

12 Deferred revenue – inventory advances

Working capital financing

The Company has entered into several sales agreements with Ocean Partners UK Ltd. ("Ocean Partners") whereby, at its option and at its sole discretion, the Company may request that Ocean Partners pays an amount of concentrate values in advance of shipment. Such advance payments bear interest at the three-month secured overnight financing rate ("SOFR") plus 3.25% pursuant to a sales, marketing, and administration agreement (the "Marketing Agreement"). Working capital financing in relation to this agreement amounted to $15,243 at September 30, 2024 (2023: $34,069) and is recognized as deferred revenue on the consolidated statements of financial position. Certain costs associated with the finalization of these agreements totalling $4,925 (2023: $10,669) have been recognized on the consolidated statements of financial position and are amortized over the life of the relevant agreements.

13 Other liabilities

	September 30, 2024	September 30, 2023
Current other liabilities		
Lease obligations	—	764
Other post-employment benefits	18,712	8,462
Total current other liabilities	**18,712**	**9,226**
Non-current other liabilities		
Defined benefit plan	28,150	22,410
Other post-employment benefits	16,439	22,010
Total other liabilities	**63,301**	**53,646**

Lease obligation

The changes to the lease liabilities balance for the year ended September 30, 2024 is as follows:

	Lease Obligation
Balance, September 30, 2023	**764**
Repayment of capital	(764)
Balance, September 30, 2024	**—**
Less: current portion	**—**
Long-term portion	**—**

Defined benefit plan

The liability recognized in the consolidated statements of financial position regarding pension and other post-employment benefits is the present value of the defined benefit obligation at the end of the reporting period according to IAS 19, *Employee Benefits*.

The defined benefit obligation is calculated annually by an independent actuary using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of government bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related pension obligation.

Actuarial gains and losses arising from experienced adjustments and changes in actuarial assumptions are charged or credited to equity in OCI in the period in which they arise.

This provision also covers the legal obligation for employee severance obligations at year-end. According to Bolivian legislation, after three months of service, an employee is entitled to one month's salary for each year of service, even in the case of voluntary redundancy.

The amounts recognized in the consolidated statements of financial position and the movements in the net defined benefit obligation over the year are as follows:

	Present Value of Obligation
Balance, September 30, 2023	**22,410**
Current service cost	6,092
Interest expenses	1,033
Total amount recognized in income	**7,125**
Remeasurements	
Loss from change in demographic assumptions	1,877
Experience losses	2,071
Total amount recognized in OCI	**3,948**
Benefit payments	(5,333)
Balance, September 30, 2024	**28,150**

Other post-employment benefits

According to Bolivian legislation, after three months of service, an employee is entitled to one month's salary for each year of service, even in the case of voluntary redundancy. Liabilities for employee severance indemnities are measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting date. Expected future payments that are not expected to be settled within 12 months are discounted using market yield at the reporting date of Bolivian corporate bond rates and reflect the terms to maturity. Remeasurements as a result of adjustments and changes in actuarial assumptions are recognized in income.

14 Debt

The changes in debt consist of the following:

	Bolivian Financing Arrangements	Ocean Partners Facility	Trafigura Facility	Total
Balance, October 1, 2022	—	—	—	—
Additions	35,931	44,383	54,956	135,270
Principal repayments	—	(17,500)	—	(17,500)
Interest expense	173	3,216	4,723	8,112
Financing fee amortization	—	4,000	1,188	5,188
Interest paid	—	(3,216)	(3,631)	(6,847)
Balance, September 30, 2023	**36,104**	**30,883**	**57,236**	**124,223**
Additions	20,270	50,000	—	70,270
Principal repayments	(21,000)	(47,500)	(17,143)	(85,643)
Interest expense	2,263	3,708	6,468	12,439
Financing fee amortization	—	1,640	1,578	3,218
Interest paid	(2,331)	(3,674)	(6,763)	(12,768)
Balance, September 30, 2024	**35,306**	**35,057**	**41,376**	**111,739**
Less: current portion	**27,553**	**35,057**	**17,916**	**80,526**
Long-term portion	**7,753**	**—**	**23,460**	**31,213**

a. Bolivian financing arrangements

BISA bank $30 million loan

On May 17, 2023, MSC entered into a working capital loan agreement with Banco BISA denominated in Bolivianos ("BOB"), amounting to $30,172 (BOB 210,000). The agreement includes a six-month grace period, followed by a two-year repayment period at an annual interest rate of 6%.

On May 17, 2023, an initial tranche of $5,029 (BOB 35,000) was disbursed. A second tranche of $10,057 (BOB 70,000) was drawn on June 6, and a third and final tranche of $15,086 (BOB 105,000) was obtained on July 12, 2023. The first monthly repayment commenced on December 16, 2023, and will continue until November 16, 2026.

During the year ended September 30, 2024, $12,572 (BOB 87,500) of capital has been amortized.

This loan is secured via an insurance subrogation valued at approximately 50% of some of MSC's mining equipment provided as collateral.

BISA bank $10 million loan

On September 6, 2023, SILEX S.A. ("Silex"), a wholly owned subsidiary of MSC, entered into an exploration loan agreement with Banco BISA denominated in BOB, amounting to $10,057 (BOB 70,000). The agreement includes a six-month grace period, a one-time 1% structuring commission, followed by a two-year monthly repayment period at an annual interest rate of 6%. The money will be used exclusively for the Isidorito project. MSC is a co-debtor to this facility.

During the year ended September 30, 2024, a total of $7,256 (BOB 50,500) was disbursed and $2,514 (BOB 17,500) was amortized.

BISA bank $5 million loan

On April 30, 2024, Silex entered in a two-year exploration loan agreement with Banco BISA totalling $5,029 (BOB 35,000). The agreement includes a six-month grace period, a one-time 1% structuring commission, and monthly repayments at an annual interest rate of 6%. The funds will be used exclusively for the Silex project. MSC is a co-debtor to this facility.

Between April and September 2024, $5,029 (BOB 35,000) was disbursed. The first monthly repayment will commence on November 10, 2024, and will continue until October 10, 2026.

BCP bank $3 million loan

On May 22, 2023, MSC entered into a working capital loan agreement with BCP denominated in BOB, amounting to $2,957 (BOB 20,580), which was fully disbursed on May 24, 2023. The capital and the 6% yearly interest were paid in a lump sum on May 23, 2024.

BCP bank $3 million loan

On May 23, 2024, MSC entered into an additional working capital loan agreement with BCP denominated in BOB amounting to $2,957 (BOB 20,580), which was totally disbursed on May 28, 2024. Principal and interest at a rate of 6% will be paid in three equal installments of $986 (BOB 6,860) on the following dates: September 30, 2024; October 30, 2024; and December 2, 2024.

In September 2024, MSC made an early payment for the capital $2,957 (BOB 20,580), and the interest calculated until this date, for $52 (BOB 363).

BNB bank $10 million loan

On September 23, 2024, MSC entered into a working capital loan agreement with BNB denominated in BOB totalling $10,057 (BOB 70,000). The loan will be repaid over 12 months starting in October 2024 and with an annual interest rate of 6%.

On September 23, 2024, an initial tranche of $5,029 (BOB 35,000) was disbursed. The next disbursement is scheduled for October 2024.

b. Ocean Partners Facility

On February 7, 2023, the Company entered into an unsecured concentrate prepayment credit facility with Ocean Partners in an amount of up to $50,000 (the "OP Facility"). The OP Facility bore interest on drawn funds of 6% per annum plus the 12-month Term Secured Overnight Financing Rate ("Term SOFR") as of two US government securities business days prior to the date of the applicable draw and matured on February 7, 2024.

A first tranche of $25,000 was drawn on February 8, 2023. A second tranche of an additional $25,000 was drawn on March 7, 2023. Aggregate transaction costs of $5,617 were recognized against these initial drawdowns.

On March 27, 2024, the Company amended the OP Facility. The OP Facility continues to bear interest on drawn funds of 6% per annum plus Term SOFR as of two US government securities business days prior to the date of the applicable draw, but it now provides for annual drawdowns of $50 million through December 31, 2027. $50 million was drawn on March 27, 2024.

Subsequent to a four-month grace period, principal is repaid on a monthly basis at a rate of 10% of the initial draw for the first six months of the OP Facility and 20% of the initial draw for the remaining two months of the OP Facility.

c. Trafigura Facility

On February 8, 2023, the Company entered into a secured four-year loan facility with Trafigura Pte Ltd ("Trafigura") in an amount of $60,000 (the "Trafi Facility"). The credit facility bears interest on drawn funds of Term SOFR plus a credit spread of 0.216161% plus a margin of 6.75% and matures on February 8, 2027. The Trafi Facility includes a share pledge security arrangement over the Company's subsidiaries.

The full $60,000 was drawn on February 8, 2023. Transaction costs of $5,044 were recognized against the initial drawdown. Subsequent to a six-month grace period, principal is repaid on a quarterly basis over the life of the Trafi Facility.

The OP Facility and the Trafi Facility have similar covenants. In addition to a number of industry-standard negative and positive undertakings, the Company is required to maintain a positive net asset value, a current ratio greater than 1.1 at all times, and a net leverage ratio less than 2.5 at all times. In addition, the Company's aggregate senior secured debt cannot exceed $100,000. As at September 30, 2024, the Company is in compliance with all covenants. MSC has also guaranteed the Company's obligations pursuant to the OP Facility and the Trafi Facility.

15 Historical surtax payable

	Historical Surtax Payment Facility
Balance, October 1, 2022	—
Debt acquired as part of Transaction	63,083
Principal repayments	(7,361)
Interest expense	2,595
Balance, September 30, 2023	**58,317**
Principal repayments	(52,568)
Net Interest expense and inflation adjustment	(740)
Interest paid	(5,009)
Balance, September 30, 2024	—
Less: current portion	—
Long-term portion	—

This obligation with SIN stems from MSC's September 2022 surtax liability of $97,050. On January 28, 2023 (prior to the Transaction), MSC requested an installment plan from SIN that was approved with initial payments of 15% ($14,557) and 20% ($19,410), totalling $33,967, both of which were applied against the outstanding amount. The remaining $63,083 is to be paid on a 60-month payment plan at 4% interest, resulting in monthly installments of $1,100 with variable interest updated based on the inflation adjustment.

The obligation was scheduled to conclude on February 29, 2028. However, during the year ended September 30, 2024, the Company made a voluntary repayment of $52,568 representing the entirety of the remaining obligation.

16 Decommissioning provision

The Company's provision for environmental rehabilitation results from mining infrastructure and previously mined property interests. The provision consists primarily of costs associated with mine reclamation and closure activities. These activities generally include costs for decommissioning the mill complex and related infrastructure, physical and chemical stability of the tailings area and post-closure site security and monitoring costs. The Company considers such factors as changes in laws and regulations, and requirements under existing permits in determining the estimated costs. Such analysis is performed on an on-going basis.

Decommissioning provisions and other closure provisions relating to the Company's mining operations are as follows:

	Decommissioning Provision
Balance, October 1, 2022	**—**
Decommissioning provision acquired as part of the Transaction	93,537
Change in discount rate related to the Transaction	110,000
Change in cost estimate	2,082
Accretion expense	1,149
Balance, September 30, 2023	**206,768**
Change in cost estimate	6,314
Accretion expense	7,242
Balance, September 30, 2024	**220,324**
Less: current portion	**—**
Long-term portion	**220,324**

Subsequent to the Transaction, MSC's decommissioning provision was remeasured in accordance with the Company's accounting policy to reflect the discounting of such amounts using a weighted average risk-free discount rate of 4.95% (the "ARO Discount Rate Adjustment"). As a result of the ARO Discount Rate Adjustment, an additional decommissioning provision of $110,000 was recognized, which increased mineral properties, plant and equipment by a corresponding amount (Note 10) on the consolidated statements of financial position and the decommissioning provision was increased by the same amount.

The Company estimates that the future value of the cash flows required to settle the provision is $479,811 (2023: $470,970). The decommissioning provision is discounted using a current market pre-tax discount rate of 5.00% (2023: 3.54%) and an inflationary factor of 5.97% (2023: 4.75%).

The Company expects these liabilities to be settled between 2027 and 2049.

17 Share capital

a. Authorized share capital

The Company is authorized to issue an unlimited number of common voting shares without nominal or par value. All issued common shares are fully paid.

b. Share capital activity

On April 26, 2024, 1,068,000 warrants of the Company were exercised for gross proceeds of $2,820. 173,400 common shares issued pursuant to such warrant exercise were sold in a private placement secondary offering at $8.00 per share for gross proceeds to the selling warrantholders of $1,387 less a 6% cash commission. The remaining 894,600 common shares issued pursuant to such warrant exercise were repurchased by the Company at a price of $7.52 per share for gross proceeds to the selling warrantholders of $6,727 and returned to treasury. The cost of the shares returned to treasury of $2,886 was recognized against share capital and the repurchase premium of $3,841 was recognized against retained earnings.

On June 20, 2024, 3,802,851 warrants of the Company were exercised for gross proceeds of $7,787, and an additional 1,843,750 warrants of the Company were exercised and cash-cancelled at $8.00 per warrant pursuant to a cash conversion right for gross payment by the Company of $10,383, which was recognized against retained earnings. The net payment by the Company to the warrantholders exercising the cash conversion right totalled $2,596.

In July 2024, 1,196,258 warrants of the Company were exercised for gross proceeds of $313 and an additional 64,251 warrants of the Company were exercised and cash-cancelled at $8.00 per warrant pursuant to a cash conversion right for gross payment by the Company of $490, which was recognized against retained earnings. The net payment by the Company to the warrantholders exercising the cash conversion right totalled $177.

On August 30, 2024, 466,666 equity compensation warrants of the Company were exercised for gross proceeds of $1,760 and 220,000 equity compensation warrants of the Company were exercised and cash-cancelled at $8.00 per equity compensation warrant pursuant to a cash conversion right for gross payment by the Company of $1,760, which was recognized against retained earnings. The net payment by the Company to the equity compensation warrantholders exercising the cash conversion right totalled $nil.

c. Stock options and equity compensation warrants

On May 7, 2024, the Company granted 668,000 stock options to directors, officers and employees of the Company. The options are exercisable at $8.00 per share until May 7, 2034, and vest at a rate of 1/3 upon grant, 1/3 on May 7, 2025, and 1/3 on May 7, 2026.

For the year ended September 30, 2024, the total share-based payments expense relating to stock options and equity compensation warrants was $3,494 (2023: $1,727) and is presented as a component of general and administrative expenses.

Stock options

During the year ended September 30, 2024, the Company granted 668,000 stock options (2023: 3,145,000).

	Options Outstanding #	Weighted Average Exercise Price $
Outstanding, October 1, 2022	**—**	**—**
Granted	3,145,000	2.64
Outstanding, September 30, 2023	**3,145,000**	**2.64**
Granted	668,000	8.00
Outstanding, September 30, 2024	**3,813,000**	**3.58**

The weighted average exercise price for the year ended September 30, 2024 was $3.58.

	Outstanding		
Exercise Price	Options #	Weighted Average Exercise Price	Weighted Average Remaining Life in Years
$2.64	3,145,000	$2.64	8.9
$8.00	668,000	$8.00	9.6
	3,813,000	$3.58	

	Outstanding and Exercisable		
Exercise Price	Options #	Weighted Average Exercise Price	Weighted Average Remaining Life in Years
$2.64	2,096,667	$2.64	8.9
$8.00	222,667	$8.00	9.6
	2,319,334	$3.15	

For purposes of the options granted, the fair value of each option was estimated on the date of grant using the Black-Scholes option pricing model with the following assumptions:

	September 30, 2024	September 30, 2023
Risk-free interest rate	4.47%	4.12%
Volatility	40.70%	45.00%
Expected dividend	Nil	Nil
Forfeiture rate	0%	0%
Expected option life	6 years	6 years

Volatility was calculated using a group of comparable companies within the Company's industry and adjusted for liquidity.

Equity compensation warrants

During the year ended September 30, 2024, the Company granted nil equity compensation warrants (2023: 1,000,000).

	Warrants Outstanding #	Weighted Average Exercise Price $
Outstanding, October 1, 2022	**—**	**—**
Granted	1,000,000	2.64
Outstanding, September 30, 2023	**1,000,000**	**2.64**
Exercised	(446,666)	2.64
Cash-cancelled	(220,000)	2.64
Outstanding, September 30, 2024	**333,334**	**2.64**

The weighted average exercise price for the year ended September 30, 2024 was $2.64.

	Outstanding		
Exercise Price	Warrants #	Weighted Average Exercise Price	Weighted Average Remaining Life in Years
$2.64	333,334	$2.64	8.9

	Outstanding and Exercisable		
Exercise Price	Warrants #	Weighted Average Exercise Price	Weighted Average Remaining Life in Years
$2.64	—	$2.64	8.9

For purposes of the warrants granted, the fair value of each warrant was estimated on the date of grant using the Black-Scholes option pricing model with the following assumptions:

	September 30, 2024	September 30, 2023
Risk-free interest rate	N/A	4.12%
Volatility	N/A	45%
Expected dividend	N/A	Nil
Forfeiture rate	N/A	0%
Expected option life	N/A	6 years

Volatility was calculated using a group of comparable companies within the Company's industry and adjusted for liquidity.

d. Warrants

For the year ended September 30, 2024, the total expense relating to broker and advisory warrants was $nil (2023: $1,370) and is presented as a component of transaction costs considering all such warrants were issued in conjunction with the Transaction.

	Warrants #	Weighted Average Exercise Price $
Outstanding, October 1, 2022	**18,675,000**	**0.25**
Granted	10,692,618	2.48
Exercised	(16,775,000)	0.14
Outstanding, September 30, 2023	**12,592,618**	**2.14**
Exercised	(6,067,109)	1.80
Cash-cancelled	(1,908,001)	2.30
Outstanding, September 30, 2024	**4,617,508**	**2.53**

The weighted average exercise price for the year ended September 30, 2024 was $2.53.

	Outstanding and Exercisable, September 30, 2024		
Exercise Price	Warrants #	Weighted Average Exercise Price	Weighted Average Remaining Life in Years
$2.40	97,508	$2.40	0.4
$2.64	2,492,000	$2.64	0.4
$2.40	28,000	$2.40	0.4
$2.40	2,000,000	$2.40	0.6
	4,617,508	**$2.53**	

For purposes of the warrants granted, the fair value of each warrant was estimated on the date of grant using the Black-Scholes option pricing model with the following assumptions:

	September 30, 2024	September 30, 2023
Risk-free interest rate	N/A	3.57% – 4.09%
Annualized volatility based on historic volatility	N/A	45%
Expected dividend	N/A	Nil
Forfeiture rate	N/A	0%
Expected option life	N/A	2 years

Volatility was calculated using a group of comparable companies within the Company's industry and adjusted for liquidity.

18 Revenue

The Company's analysis of revenue from contracts with customers, segmented by product, is as follows:

	Years ended September 30,	
	2024	2023
Zinc concentrate	381,100	239,998
Lead concentrate	375,426	199,146
Total revenue	**756,526**	**439,144**

19 Finance costs and accretion expense

	Notes	Years ended September 30, 2024	2023
Interest and accretion expense on Trafi Facility	14	8,046	5,911
Interest and accretion expense on OP Facility	14	5,348	7,216
Interest on Bolivian financing	14	2,263	173
Interest on SIN surtax payment facility	15	(740)	2,595
Accretion expense on decommissioning provision	16	7,242	1,149
Accretion of deferred financing costs		1,685	7,642
Working capital facility interest and other		19,258	6,379
Total finance costs and accretion expense		**43,102**	**31,065**

20 Basic and diluted income per share

Basic and diluted income per share is calculated based on the weighted average number of common shares and common share equivalents outstanding during the years ended September 30, 2024 and 2023.

	Years ended September 30, 2024	2023
Basic and diluted income attributable to the ordinary equity holders of the Company	84,306	116,773
Weighted average number of common shares used as the denominator in calculating basic income per share	47,703,854	33,344,917
Dilutive effect of share options	1,119,842	—
Dilutive effect of share warrants	5,802,960	—
Weighted average number of common shares used as the denominator in calculating diluted income per share	54,626,656	33,344,917
Basic income per share	**1.77**	**3.50**
Diluted income per share	**1.54**	**3.50**

21 Related party transactions

The Company's related parties include Crescat Capital and key management personnel. Key management personnel include directors and corporate officers of the Company.

	Years ended September 30,	
	2024	2023
Salaries, wages, bonuses and other benefits	8,734	6,276
Share-based compensation	2,945	2,617
Total related party transactions	**11,679**	**8,893**

22 Supplementary cash flow disclosure

	Years ended September 30,	
	2024	2023
Change in inventories	(44,539)	88,211
Change in accounts receivable	(50,283)	(50,982)
Change in prepayments and advances	1,983	23,004
Change in deferred revenue – inventory advances	(18,826)	34,069
Change in accounts payable and accrued liabilities	127,887	80,554
Change in working capital	**16,222**	**174,856**

23 Income taxes

Income tax expense recognized

a. *Tax amounts recognized in income*

	Years ended September 30,	
	2024	2023
Current tax expense		
Current taxes on income for the year	202,396	36,256
Bolivian withholding taxes	6,596	14,174
Total current tax expense	208,992	50,430
Deferred tax expense (recovery)		
Origination and reversal of temporary differences	6,370	(16,258)
Total deferred tax expense (recovery)	**6,370**	**(16,258)**
Total tax expense	**215,362**	**34,172**

b. *Reconciliation of effective tax rate*

Income tax expense (recovery) differs from the amount that would be calculated by applying the applicable Canadian statutory income tax rate to income before income taxes. The significant reasons for the differences are as follows:

	Years ended September 30,	
	2024	2023
Net income before income taxes	**299,668**	**150,945**
Statutory tax rate	27%	27%
Anticipated income tax at statutory rates	80,910	40,755
Permanent differences	2,102	(38,472)
Differences between Canadian and foreign tax rates	32,866	(4,328)
Bolivian surtax	73,115	11,394
Impact of foreign exchange on local currencies	(1,161)	543
Bolivian withholding taxes ("WHT")	6,596	14,174
Change in deferred tax assets not recognized	9,110	6,102
Change in deferred WHT liability (Bolivian WHT)	11,726	4,822
Other items	98	(818)
Total income tax expense	**215,362**	**34,172**
Effective tax rate	72%	23%
Total income tax expense represented by:		
Current income tax expense	202,396	36,256
Bolivian withholding taxes	6,596	14,174
Deferred tax expense (recovery)	6,370	(16,258)
	215,362	**34,172**

c. *Deferred tax balances*

	September 30 2024	September 30 2023
Deferred tax assets		
Provisions	4,486	3,675
Asset remediation	9,105	7,567
Deferred charge	29,466	37,569
Payroll accrual	8,558	7,462
Materials and supplies inventory	6,010	2,908
Other	5,773	1,313
Total deferred tax assets	**63,398**	**60,494**
Deferred tax liabilities		
Mineral properties	(13,181)	(17,984)
Isidorito project	(13,125)	(13,125)
WHT on dividends to be received from MSC	(16,548)	(4,822)
Other	(112)	768
Total deferred tax liabilities	**(42,966)**	**(35,163)**
Net deferred tax assets	**20,432**	**25,331**
Classification		
Deferred tax assets	36,980	30,153
Net deferred WHT liabilities	(16,548)	(4,822)

The Company's movement of net deferred tax assets is described below:

	Years ended September 30, 2024	2023
Balance, beginning of year	25,331	10,005
Deferred income tax (expense) recovery through consolidated statements of income and comprehensive income	(6,370)	16,258
Deferred income tax recovery (expense) through comprehensive income	1,471	(932)
Balance, end of year	**20,432**	**25,331**

d. *Unrecognized deferred tax assets*

The Company recognizes tax benefits on losses or other deductible amounts where it is probable the deferred tax assets will be realized. The Company's unrecognized deductible temporary differences and unused tax losses for which no deferred tax assets are recognized consist of the following amounts:

	Years ended September 30,	
	2024	2023
Unrecognized deductible temporary differences and unused tax losses		
Non-capital losses	128,722	81,701
Investment in subsidiaries	8,657	8,068
Deferred financing costs	—	1,673
Share issuance costs	772	1,029
Warrants issued for services	844	1,126
Cash financing charges	1,954	—

e. *Tax loss carryforwards*

The Company's tax losses have the following expiry dates:

	Expiry dates		Non-capital losses	
	2024	2023	2024	2023
Non-capital losses				
Canada	2042–2044	2042–2043	30,104	24,740
Sweden	2028	2028	72,247	55,738
Switzerland	2030	2030	1,555	1,162
Australia	N/A	N/A	—	—
USA	N/A	No expiry	—	61
Bolivia	N/A	N/A	—	—

f. *Pillar Two*

As of September 30, 2024, the Company's consolidated revenues are less than euro 750 million and are therefore not in the scope of the Pillar Two model rules.

24 Financial instruments and financial risk management

The Company has exposure to the following risks from its use of financial instruments: foreign exchange, liquidity, interest rate, commodity price and credit risk. The Company reviews its risk management framework on a quarterly basis and makes adjustments as necessary.

Foreign exchange risk

The Company reports its consolidated financial statements in USD; however, the Company operates in jurisdictions that utilize other currencies. As a consequence, the financial results of the Company's operations are subject to changes in the value of the USD relative to local currencies. Since the Company's sales are denominated in USD and a portion of the Company's operating costs and capital spending are in local currencies, the Company is negatively impacted by strengthening local currencies relative to the USD and positively impacted by the inverse. With respect to its Bolivian operations, at each reporting date the Company applies the official BOB/USD foreign exchange rate of 6.96:1 to translate BOB-denominated financial instruments, with any differences recognized through the consolidated statements of income and comprehensive income.

The Company's net income is affected by the revaluation of its monetary assets and monetary liabilities at each consolidated statement of financial position date. The Company has reviewed its monetary assets and monetary liabilities and is exposed to foreign exchange risk through financial assets and liabilities, and deferred tax assets and liabilities denominated in currencies other than USD as at September 30, 2024, are shown in the table below.

	Cash and Cash Equivalents	Other Current and Non-Current Assets	Accounts Payable and Accrued Liabilities and Non-Current Liabilities	Total
Swiss franc	28	89	(167)	(50)
Swedish krona	—	40	(34)	6
Australian dollar	5	—	(400)	(395)
Canadian dollar	48	3,998	(1,619)	2,427
Total	**81**	**4,127**	**(2,220)**	**1,988**

The Company estimates that a 10% change in the exchange rate of the foreign currencies in which its September 30, 2024 non-USD net monetary liabilities were denominated would result in an immaterial revaluation impact (2023: also immaterial).

Liquidity risk

Liquidity risk arises from the Company's general and capital funding requirements. The Company has planning, budgeting and forecasting processes to help determine its funding requirements to meet various contractual and other obligations. Notes 14 details the Company's available credit facilities as at September 30, 2024.

Contractual undiscounted cash flow requirements for financial liabilities as at September 30, 2024 are as follows:

	Less Than 1 Year	2 – 3 Years	4 – 5 Years	More Than 5 Years	Total
Bolivian financing arrangements	27,554	7,753	—	—	35,307
OP Facility	35,000	—	—	—	35,000
Trafi Facility	17,143	25,714	—	—	42,857
Accounts payable and accrued liabilities	36,791	—	—	—	36,791
Other liabilities	18,712	—	44,589	—	63,301
Deferred consideration	—	50,950	—	14,694	65,644
Total	**135,200**	**84,417**	**44,589**	**14,694**	**278,900**

Interest rate risk

The Company's interest rate risk arises in respect of its holdings of cash and floating rate debt. The Company's interest rate management policy is to borrow at both fixed and floating rates to offset financial risks. Cash has a short term to maturity and earns interest based on market interest rates. A 1% increase in the short-term interest rate at the beginning of the year would not result in a material change in the Company's income before income taxes (2023: nil).

In February 2023, the Company entered into the $50,000 OP Facility and the $60,000 Trafi Facility. The OP Facility was amended in March 2024. The OP Facility incurred a weighted average interest rate of 10.99% during the year ended September 30, 2024 (2023: 11.15%) on amounts drawn, and the Trafi Facility incurred a weighted average interest rate of 12.32% during the year ended September 30, 2024 (2023: 12.09%) on amounts drawn.

Commodity price risk

The Company is subject to price risk from fluctuations in market prices of the commodities that it produces, primarily zinc, lead and silver. The Company's current strategy is to manage its exposure to fluctuations in commodity prices by fixing pricing at the point of revenue recognition. While the Company's commodity price risk associated with financial instruments primarily relates to changes in fair value caused by final settlement pricing adjustments to receivables, such changes are negligible due to the Company's aforementioned strategy.

A 10% change in the price of zinc, lead and silver, respectively, with other variables unchanged, would change the Company's pre-tax profit attributable to shareholders by $94,903 (2023: $52,215). There would be no effect on OCI.

Credit risk

The Company's principal financial assets are cash and cash equivalents and trade and other receivables, which are subject to credit risk. The carrying amounts of financial assets on the consolidated statements of financial position represent the Company's maximum credit exposure at the consolidated statement of financial position date.

Concentration of credit risk

The Company is exposed to credit risk with respect to uncertainties as to the timing and amount of collectability of trade debtors as well as other receivables. The amounts disclosed in the consolidated statements of financial position are net of an allowance for doubtful accounts, estimated by the management of the Company based on previous experience and its assessment of the current economic environment. The Company mitigates credit risk through standard credit and reference.

Credit risk arising from trade receivables is slightly elevated due to Ocean Partners constituting a large portion of the outstanding balance. However, there have been no credit write-offs from this debtor as of September 30, 2024. As at September 30, 2024, one customer, represented approximately 66% of the trade receivable balance (2023: 74%). There were two customers that individually exceeded 10% of the Company's revenue for the year ended September 30, 2024.

Fair value

The Company's financial instruments consist of cash and cash equivalents, trade accounts receivable, settlement accounts receivable, other receivables, deferred consideration, debt and trade and other payables, and the fair value of these instruments, other than debt, approximates their carrying values because of the relative short-term nature of these instruments. The carrying amount of the debt approximates fair value as the interest rates are comparable to current market rates.

Classification of financial instruments

The Company's financial assets and financial liabilities have been classified into categories that determine their basis of measurement. The following tables show the carrying values, fair values and fair value hierarchy of the Company's financial instruments as at September 30, 2024 and September 30, 2023:

Recurring fair value measurements As at September 30, 2024	Level 1	Level 2	Level 3	Total
Financial Assets				
Fair value through profit or loss				
Investments	—	—	856	856
Fair value through other comprehensive income				
Investments	3,139	—	—	3,139
Total	**3,139**	**—**	**856**	**3,995**
Financial Liabilities				
Fair value through profit or loss				
Deferred consideration	—	—	54,375	54,375
Settlement accounts payable	—	—	1,222	1,222
Total	**—**	**—**	**55,597**	**55,597**

Recurring fair value measurements As at September 30, 2023	Level 1	Level 2	Level 3	Total
Financial Assets				
Fair value through profit or loss				
Settlement accounts receivable	—	—	20,998	20,998
Total	**—**	**—**	**20,998**	**20,998**
Financial Liabilities				
Fair value through profit or loss				
Deferred consideration	—	—	78,660	78,660
Total	**—**	**—**	**78,660**	**78,660**

Fair values of financial instruments are determined by valuation methods depending on hierarchy levels as defined below:

Level 1 – Quoted market price in active markets for identical assets or liabilities.

Level 2 – Inputs other than quoted market prices included within Level 1 that are observable for the assets or liabilities, either directly (i.e., observed prices) or indirectly (i.e., derived from prices).

Level 3 – Inputs for the assets or liabilities are not based on observable market data.

The Company calculates fair values based on the following methods of valuation and assumptions:

Settlement receivables/pricing provisions on concentrate sales – the fair value of trade receivables that contain provisional pricing sales arrangements are valued using quoted forward market prices.

Deferred consideration – the fair values are determined through an analysis of the probabilities of each of these events occurring as well as market interest rates for discounting purposes.

Warrants – the fair values of warrants held by the Company have been determined using a Black-Scholes option pricing model.

The carrying values of certain financial instruments maturing in the short-term approximate their fair values. These financial instruments include cash and cash equivalents, trade and other receivables other than those provisionally priced, and trade and other payables other than those provisionally priced, which are classified as amortized cost.

25 Capital management

The Company's objective when managing its capital is to maintain its ability to continue as a going concern while at the same time maximizing the growth of its business and providing returns to its shareholders. The Company's capital structure consists of shareholders' equity (comprising issued capital plus reserves plus profits, less accumulated other comprehensive income) with a balance of $251,012 as at September 30, 2024 (2023: $172,016). The Company manages its capital structure and makes adjustments based on changes to its economic environment and the risk characteristics of the Company's assets. The Company's capital requirements are effectively managed based on the Company having a thorough reporting, planning and forecasting process to help identify the funds required to ensure the Company is able to meet its operating and growth objectives.

The Company is not subject to externally imposed capital requirements other than the financial covenants as outlined in Note 14.

26 Commitments

The fair value of contingent consideration potentially owed pursuant to the Transaction is $25,680 (2023: $31,450) and is payable upon the completion of certain events, including production at the oxide silver project at certain operating parameters, production at the Isidorito project at certain operating parameters, and achievement of certain MSC free cash flow amounts. While the MSC free cash flow contingent consideration is not payable based on financial results beyond 2026, the remaining contingent amounts are subject to milestones for which relevant timeframes are not currently known. For the purposes of determining fair value, it is assumed that the oxide silver project contingent consideration milestones are achieved in 2026 and 2030, and that the Isidorito project contingent consideration milestone is achieved in 2033. These amounts are also probability-adjusted to represent the current likelihood of occurrence.

In the normal course of business, the Company enters into contracts that give rise to commitments for future minimum payments. During the year ended September 30, 2024, MSC entered into a contract with Ende Transmisión S.A., a power utility company. As part of the agreement, MSC agreed to provide a warranty letter of $3,317 that would be executed in the event that two invoices remained unpaid and is renewed annually. During the year ended September 30, 2024, MSC did not have any unpaid invoices that breached regular trading terms.

27 Subsequent events

a. On October 26, 2024, the Company, through its wholly owned subsidiary, acquired an initial 37.57% interest in Shanoon Resources Limited ("Shanoon") for gross consideration of $16,500 pursuant to a subscription agreement through which the Company acquired 23,913 ordinary shares of Shanoon.

Shanoon, a company incorporated under the laws of Ireland, owns the Galmoy zinc, lead, and silver mine and surrounding properties in County Kilkenny, Republic of Ireland. Production at the Galmoy mine is expected to recommence by early 2026.

Pursuant to a share exchange agreement, the Company and Shanoon's major shareholder both have the right to permit SCM to acquire an additional 12.53% interest in Shanoon by acquiring 7,971 Shanoon ordinary shares from Shanoon's majority shareholder for gross consideration of $5,500, payable in cash or SCM common shares at the Company's sole discretion. This right must be exercised between November 29, 2024 and January 31, 2025.

The Company also has an option to acquire all of the remaining issued and outstanding shares of Shanoon for gross consideration of $40,000, payable in cash or SCM common shares at the Company's sole discretion, on or before October 26, 2026.

Certain minority shareholders of Shanoon have the right to put some of their Shanoon ordinary shares to Shanoon's majority shareholder by June 30, 2025. SCM has a right of first refusal to acquire these shares if the minority shareholders exercise their option.

All shareholders of Shanoon have the right to sell their shares to certain minority shareholders once the Galmoy mine has been fully exploited.

b. On October 28, 2024, the Company amended the OP Facility. The OP Facility continues to bear interest on drawn funds of 6% per annum plus Term SOFR as of two US government securities business days prior to the date of the applicable draw, but it now provides for annual drawdowns of $50 million through December 31, 2029.

c. On October 28, 2024, the Company amended the Marketing Agreement, including to reduce the interest rate charged on inventory advances to SOFR + 3%.

d. On October 29, 2024, 2,492,000 warrants were exercised for gross proceeds of $6,579.

e. On November 18, 2024, 24,000 warrants were exercised for gross proceeds of $58.