UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS OF COTEC HOLDINGS CORP.

For the three months ended March 31, 2024

The accompanying notes are an integral part of these Interim Financial Statements.

INTERIM CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION OF COTEC HOLDINGS CORP.
(Expressed in Thousands of Canadian Dollars)
AS AT MARCH 31, 2024, AND DECEMBER 31, 2023

	Mar. 31, 2024	Dec. 31, 2023
ASSETS		
Current		
Cash and cash equivalents	$ 365	$ 1,282
GST receivable	39	138
IZ Note Receivable (Note 8)	329	323
Other receivable	-	15
Prepaid expenses	49	43
Total current assets	782	1,801
Non-Current		
Equity investments (Note 5)	25,507	24,080
Investments in associates and joint ventures (Note 6)	9,655	9,623
Due from HyProMag USA (Note 7)	422	-
Exploration & evaluation asset (Note 9)	560	389
TOTAL ASSETS	**$ 36,926**	**$ 35,893**
LIABILITIES		
Current		
Trade and other payables	$ 232	$ 252
Accrued liabilities	1,230	972
Total current liabilities	1,462	1,224
Non-Current		
Note payable (Note 10)	$ 2,542	$ 2,426
Stock-based compensation liability	718	875
Deferred share unit liability	297	299
TOTAL LIABILITIES	5,019	4,824
EQUITY		
Share capital (Note 4)	107,472	106,777
Contributed surplus	14,504	14,322
Deficit	(90,069)	(90,030)
TOTAL EQUITY	31,907	31,069
TOTAL LIABILITIES AND EQUITY	**$ 36,926**	**$ 35,893**

Corporate information and going concern (Note 1)

On behalf of the Board:

(signed) Julian Treger Director

(signed) Lucio Genovese Director

INTERIM CONDENSED CONSOLIDATED STATEMENTS OF LOSS AND COMPREHENSIVE LOSS OF COTEC HOLDINGS CORP.
(Expressed in Thousands of Canadian Dollars)
FOR THE PERIODS ENDED MARCH 31, 2024, AND 2023

	For the three months ended Mar. 31, 2024	Mar. 31, 2023
INCOME		
Gain on equity investment (Note 5)	1,091	202
Share of loss of associates and joint ventures accounted for using the equity method (Note 6)	(127)	-
Gain on convertible notes receivable (Note 8)	-	118
EXPENSES		
Professional consulting fees	(92)	(147)
G&A expenses	(676)	(610)
Share-based compensation expense (Note 4)	(135)	(118)
Operating income (loss)	**61**	**(555)**
Finance expense (Note 10)	(58)	(7)
Finance income	6	42
Foreign exchange (loss) gain	(48)	-
Net finance expense	(100)	35
Income tax expense	-	-
Comprehensive loss for the period	**$ (39)**	**$ (520)**
Net loss per common share (Note 12)		
Basic	($0.00)	($0.01)
Diluted	($0.00)	($0.01)

INTERIM CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY OF COTEC HOLDINGS CORP.

(Expressed in Thousands of Canadian Dollars)

FOR THE PERIODS ENDED MARCH 31, 2024, AND YEAR ENDED DECEMBER 31, 2023

	Share Capital		**Commitment to Issue Shares**	**Contributed Surplus**		**Deficit**	**Total Equity**
	Number	**Amount**	**Amount**	**Options**	**Warrants**	**Amount**	**Amount**
Balance – Jan. 1, 2023	**39,753,424**	**96,495**	**124**	**10,360**	**2,035**	**(99,793)**	**9,221**
Comprehensive income for the year	-	-	-	-	-	9,763	**9,763**
Shares issued for cash	17,473,082	9,255	-	-	-	-	**9,255**
Commitment to issue shares (Note 13)	-	124	(124)	-	-	-	-
Issuance of warrants	-	(1,619)	-	-	1,619	-	-
Exercise of warrants	3,000,000	2,522	-	-	(272)	-	**2,250**
Equity-settled share-based compensation	-	-	-	580		-	**580**
Balance – Dec. 31, 2023	**60,226,506**	**$106,777**	**$ -**	**$10,940**	**$3,382**	**$(90,030)**	**$31,069**
Balance – Jan. 1, 2024	**60,226,506**	**$106,777**	**$ -**	**$10,940**	**$3,382**	**$(90,030)**	**$31,069**
Comprehensive loss for the period	-	-	-	-	-	(39)	**(39)**
Share buyback	(625,000)	(391)		-	-	-	**(391)**
Exercise of warrants	1,300,000	1,086	-	-	(111)	-	**975**
Equity-settled share-based compensation	-	-	-	293	-	-	**293**
Balance – Mar. 31, 2024	**60,901,506**	**$107,472**	**$ -**	**$11,233**	**$3,271**	**$(90,069)**	**$31,907**

The accompanying notes are an integral part of these Interim Financial Statements.

(Expressed in Thousands of Canadian Dollars Unless Otherwise Stated)

	For the three months ended	
	Mar. 31, 2024	**Mar. 31, 2023**
OPERATING ACTIVITIES		
Net loss for the period	$ (39)	$ (520)
Add items not affecting cash		
Director fees paid in shares (Note 5)	(87)	-
Gain on equity investments (Note 5)	(1,091)	(202)
Share of loss of associates and joint ventures accounted for using the equity method (Note 6)	127	-
Loss on convertible note receivable	-	(118)
Share-based compensation expense	135	118
Non-cash finance expense & foreign exchange	108	(36)
Changes in non-cash working capital balances related to operations		
GST receivable	99	(27)
Prepaid expenses	(6)	22
Other receivable	15	-
Trade and other payables and accrued liabilities	238	(654)
Cash used by operating activities	**(501)**	**(1,417)**
INVESTING ACTIVITIES		
Equity investments (Note 5)	(247)	(4,139)
Investments in associates and JV (Note 6)	(160)	-
Due from HyProMag USA (Note 7)	(422)	-
Exploration & Evaluation (Note 9)	(171)	-
Cash used by investing activities	(1,000)	(4,139)
FINANCING ACTIVITIES		
Shares and warrants issued for cash	-	7,306
Share buyback	(391)	-
Warrant exercise	975	-
Repayment of note payable	-	(1,038)
Cash from financing activities	584	6,268
Net decrease in cash and cash equivalents for the period	**(917)**	**712**
Cash and cash equivalents, beginning of period	1,282	239
Cash and cash equivalents, end of period	**$ 365**	**$ 951**

1 Corporate Information and Going Concern

CoTec Holdings Corp. (the "Company") was incorporated on December 15, 1986, under the laws of the Province of British Columbia, Canada. Its registered address is Suite 428, 755 Burrard Street, Vancouver, BC, V6Z 1X6, Canada.

The Company focuses on making investments in disruptive and scalable technology in the mineral extraction industry and in parallel acquiring assets to which the technology could be applied.

The Company has experienced recurring operating losses and has an accumulated deficit of $90,069 as at March 31, 2024 (December 31, 2023: ($90,030)). For the three months ended March 31, 2024, the Company used cash in operating activities totalling $501 (March 31, 2023: ($1,417)). The Company had cash and cash equivalents of $365 (December 31, 2023 working capital of $1,282) and a working capital deficit of $680 as at March 31, 2024 (December 31, 2023: $278). Working capital is defined as current assets less current liabilities and provides a measure of the Company's ability to settle liabilities that are due within one year with assets that are also expected to be converted into cash within one year.

The Company's continued operation is dependent upon its ability to raise additional funding. Although the directors believe that the Company should be able to secure future fundraising as required, there are no assurances that the Company will be successful in achieving this goal. As a result, there are material uncertainties that may cast significant doubt about the Company's ability to continue as a going concern. These consolidated financial statements have been prepared on a going concern basis, which assumes the Company will realize on its assets and discharge its liabilities in the normal course of operations, and do not include adjustments to the amounts and classifications of assets and liabilities that might be necessary should the Company be unable to continue as a going concern. These adjustments could be material.

2 Basis of Presentation

(a) Statement of Compliance with International Financial Reporting Standards

These interim condensed consolidated financial statements (the "Interim Financial Statements"), which are presented in Canadian dollars, have been prepared in accordance with IFRS Accounting Standards (as issued by the International Standards Board) applicable to preparation of interim financial statemenst under IAS 34, Interim Financial Reporting. They do not include all information required for a complete set of IFRS financial statements. However, selected notes are included to explain events and transactions that are significant to an understanding of the changes and performance since the Company's last annual financial statements as at and for the year ended December 31, 2023.

(b) Basis of Consolidation

The Interim Financial Statements include the accounts for the Company and its wholly owned subsidiaries listed below. All intercompany balances and transactions have been eliminated upon consolidation.

(Expressed in Thousands of Canadian Dollars Unless Otherwise Stated)

These Interim Financial Statements are presented in Canadian dollars which is also the parent company's functional currency. The functional currency for each entity consolidated with the Company is determined by the currency of the primary economic environment in which it operates.

The US and Canadian subsidiaries' functional currency is the Canadian dollar.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date. Differences arising on settlement or translation of monetary items are recognized in profit or loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the average exchange rates for the period.

Subsidiaries are included in the consolidated financial statements of the Company from the effective date of acquisition up to the effective date of disposition or loss of control.

All significant intercompany amounts and transactions between the Company and its subsidiaries have been eliminated on consolidation.

The principal subsidiaries and joint arrangements to which the Company is a party, as well as their geographic locations, were as follows as at March 31, 2024:

Affiliate name	**Location**	**Interest**	**Classification and method of accounting method**
1391621 B.C. Ltd.	Canada	100%	Consolidated
1450518 B.C. Ltd.	Canada	100%	Consolidated
CoTec USA Corp	USA	100%	Consolidated
HyProMag USA	USA	50%	Joint venture; equity method

(c) Accounting Policies

The accounting policies, estimates and judgements, methods of computation and presentation followed in these Interim Financial Statements are the same as those applied in the Company's annual financial statements for the year ended December 31, 2023, except as set out below. Accordingly, these Interim Financial Statements should be read in conjunction with the Company's most recent annual financial statements.

Investments in Joint Arrangements

The Company conducts a portion of its business through joint arrangements where the parties are bound by contractual arrangements establishing joint control and decisions about the activities that significantly affect the returns of the investee require unanimous consent. A joint arrangement is classified as either a joint operation or a joint venture, subject to the terms that govern each investor's rights and obligations in the arrangement.

In a joint operation, the investor has rights and obligations to the separate assets and liabilities of the investee and in a joint venture, the investors have rights to the net assets of the joint arrangement. For a joint operation, the Company recognizes its share of the assets, liabilities, revenue, and expenses of the joint arrangement, while for a joint venture, the Company accounts for its investment in the joint arrangement using the equity method.

Under the equity method, the Company’s investment in a joint venture is initially recognized at cost and subsequently increased or decreased to recognize the Company's share of net earnings or losses of the joint venture, after any adjustments necessary for impairment losses or reversal of impairment losses after the initial recognition date. The total carrying amount of the Company's investment in a joint venture also includes any long-term debt interests which in substance form part of the Company's net investment. The Company’s share of a joint venture’s losses that are in excess of its investment are recognized only to the extent that the Company has incurred legal or constructive obligations or made payments on behalf of the joint venture. The Company's share of net earnings or losses of a joint venture are recognized in net earnings during the period. Dividends and repayment of capital received from a joint venture are accounted for as a reduction in the carrying amount of the Company’s investment. Balances between the Company and its joint ventures are not eliminated, but rather disclosed as related party transactions or balances.

At the end of each reporting period, the Company assesses whether there is any objective evidence that an investment in a joint venture is impaired. Objective evidence includes observable data indicating there is a measurable decrease in the estimated future cash flows of the joint venture’s operations. When there is objective evidence that an investment is impaired, the carrying amount of such investment is compared to its recoverable amount, being the higher of its fair value less costs of disposal and value-in-use. If the recoverable amount of an investment is less than the carrying amount, the carrying amount is reduced to its recoverable amount and a corresponding impairment loss is recognized in the period in which the relevant circumstances are identified. When an impairment loss reverses in a subsequent period, the carrying amount of the investment is increased to the revised estimate of the recoverable amount to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had an impairment loss not been previously recognized. Following an impairment reversal, the Company will continue to recognize its share of net earnings to the extent the investment is anticipated to be recoverable through future cash flows of the joint venture. A reversal of an impairment loss is recognized in net earnings in the period in which the reversal occurs.

Similar to the assessment of impairment for subsidiaries, the Company reviews the mining properties and plant and equipment for a joint arrangement at the cash-generating unit level to determine whether there is any indication that these assets are impaired.

(d) Approval of Financial Statements

(Expressed in Thousands of Canadian Dollars Unless Otherwise Stated)

The Board of Directors approved these Interim Financial Statements for issue on May 30, 2023.

3 Critical Accounting Estimates and Judgements

The preparation of these Interim Financial Statements requires management to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported expenses during the year. Actual results could differ from these estimates.

In preparing the Interim Financial Statements, the significant judgments made by management in applying the Company's accounting policies and key sources of estimation uncertainty were the same as those applied to the annual audited consolidated financial statements for the year ended December 31, 2023.

4 Share Capital

Equity

The Company has unlimited authorized common shares with no par value. Total common shares issued and outstanding as at March 31, 2024, numbered 61,941,910.

Share Buy Back

On March 15, 2024, the Company completed part of its share buyback program through the Normal Course Issuer Bid ("NCIB") announced on January 23, 2024. Total shares repurchased were 625,000 for $391.

Stock Options

Share-based compensation expenses recognized in the Consolidated Statement of Income and Comprehensive Income for the three months ended March 31, 2024, and March 31, 2023, is as follows:

	Mar. 31, 2024	**Mar. 31, 2023**
Stock options	(217)	(94)
Equity incentive units	82	(24)
Deferred share units	1	-
Restricted share units	(1)	-
Total	**(135)**	**(118)**

The Company's omnibus equity incentive plan (the "Plan") was approved by the Company's shareholders at its annual general and special meeting held October 27, 2022.

Under the Plan, the Board of Directors may grant options to directors, officers, employees or consultants with the number of outstanding options at any time limited to a maximum of 10% of the number of issued and outstanding common shares. The vesting periods for individual awards of options are determined at the discretion of the Corporate Governance, Compensation and Nominating Committee.

(Expressed in Thousands of Canadian Dollars Unless Otherwise Stated)

In connection with the February warrant exercise, and pursuant to existing agreements with the CEO (refer to Note 8 Related Party Transactions) additional stock options and equity incentive units ("EIUs") are owed but have not been issued prior to March 31, 2024. In total, 65,000 stock options will be granted post quarter-end, at an exercise price equal to the higher of $0.75 and the closing share price of the Company's shares the day prior to the grant. The options will be valid for 10 years and will vest 1/3 annually over a 3-year period. The Company has accrued an expense related to these stock options in the amount of $3. In addition, 91,000 EIUs will also be awarded during the first quarter. The Company has accrued an expense of $1 in this regard.

The weighted average fair value per option granted during the three months ended March 31, 2024, was $0.57 (March 31, 2023: nil). As at March 31, 2024, there was $1,076 of share-based compensation expense (March 31, 2023: $297) relating to the Company's unvested stock options to be recognized in future periods.

For the three months ended March 31, 2024, stock-based compensation expense relating to the vesting of stock options, was $217. A summary of option activity under the Plan during the three months ended March 31, 2024, is as follows:

	Number of options #	**Weighted average exercise price $**
Balance – December 31, 2023	3,986,983	0.45
Granted	1,074,954	0.75
Balance – March 31, 2024	**5,061,937**	**0.51**

The number of options outstanding as at March 31, 2024, is shown in the following table:

(Expressed in Thousands of Canadian Dollars Unless Otherwise Stated)

		Options Outstanding			**Options Exercisable**
Date of Grant	**Expiry Date**	**Number Outstanding #**	**Exercise Price $**	**Remaining life (years)**	**Number outstanding #**
September 24, 2021	September 24, 2031	1,152,916	0.30	7.48	768,611
October 8, 2021	October 8, 2031	288,229	0.45	7.52	192,153
April 19, 2022	April 19, 2032	711,912	0.55	8.05	237,304
September 7, 2022	September 7, 2032	202,020	0.46	9.07	67,340
April 24, 2023	April 24, 2033	1,631,906	0.50	9.07	-
January 25, 2024	January 25, 2034	279,954	0.75	9.82	-
February 15, 2024	February 15, 2034	65,000	0.75	9.88	-
February 20, 2024	February 20, 2034	730,000	0.75	9.89	-
		5,061,937	**0.51**	**8.62**	**1,265,407**

Warrants

A summary of warrant activity during the three months ended March 31, 2024, and December 31, 2023, is as follows:

	Number of warrants #	**Weighted average exercise price $**
Balance – December 31, 2023	15,131,210	0.85
Issued	-	-
Exercised	(1,300,000)	0.75
Expired	(10,982,114)	0.75
Balance – March 31, 2024	**2,849,096**	**1.19**

The warrants outstanding as at March 31, 2024, are shown in the following table:

		Warrants Outstanding			**Warrants Exercisable**
Date of Grant	**Expiry Date**	**Number Outstanding #**	**Exercise Price $**	**Remaining life (years)**	**Number outstanding #**
April 14, 2022	April 14, 2025	250,020	0.55	1.04	250,020
December 1, 2023	December 1, 2024	1,991,800	1.25	0.67	1,991,800
December 19, 2023	December 19, 2024	607,276	1.25	0.72	607,276
		2,849,096	**1.19**	**0.71**	**2,849,096**

(Expressed in Thousands of Canadian Dollars Unless Otherwise Stated)

5 Equity Investments

Summary:

	Mar. 31, 2024 **$**	**Dec. 31, 2023** **$**
Balance, beginning of period	24,080	9,234
Additions	335	3,038
Fair value adjustment	501	10,860
Foreign exchange	590	(948)
Balance, end of period	**25,507**	**24,080**

Equity Investments:

	Mar. 31, 2024 **$**	**Dec. 31, 2023** **$**
MagIron Common Shares	16,342	14,927
MagIron Pref Shares	317	-
MagIron Warrants	497	1,002
Binding Solutions Ltd.	6,319	6,167
Ceibo Inc.	2,032	1,984
Total Balance, end of period	**25,507**	**24,080**

MagIron LLC ("MagIron")

The Company entered into an exclusivity agreement with US based MagIron LLC ("MagIron") on January 27, 2022 ("Exclusivity Agreement"). Under the Exclusivity Agreement, CoTec received the exclusive right to negotiate a potential investment in MagIron for a specified period ending on March 31, 2022, subject to an exclusivity payment of USD120,000 ("Exclusivity Payment"). CoTec paid the Exclusivity Payment on January 28, 2022, at an exchange rate of 1.2842, resulting in $154 being capitalized to the balance sheet.

On May 15, 2022, CoTec entered into an agreement to acquire a 15.8% equity interest in MagIron LLC ("MagIron") for USD2.12 million, comprising USD2 million cash contribution ($2.6 million) and the Exclusivity Payment. The transaction completed on May 16, 2022. MagIron is a U.S. based private company that acquired an iron ore project that it intends to refurbish and bring back into production. The investment includes terms customary for an investment of this nature, including Board representation subject to CoTec maintaining a 10% equity interest.

MagIron announced on June 24, 2022, that it had completed a private placement of a USD5 million secured convertible note on June 15, 2022. The convertible note has the right to convert into shares of MagIron for a period of 18 months at a conversion price that reflects a 126% increase in the Company's initial investment. The conversion period has since been extended to December 15, 2025. Given the uncertainties around several project milestones which in turn affect the probability of conversion to equity for the convertible note, CoTec has opted to discount this gain by the interest rate agreed between MagIron and the arm's length third party for the convertible note, which is the 12-month LIBOR rate as at December 31, 2022 (5.5%), plus 5%, or 10.5%, over the 12-month period. Furthermore, CoTec has applied an overall success factor of 70% to this gain, in order to reflect management's expectation of the project being successful as well as the likelihood of a liquidity event. Discounting the gain and applying the success factor yields an overall gain of 80.0%. This gain and any related changes in foreign exchange have been recorded through the statement of income as FVTPL in the amount of $2.419 million in 2022.

On February 2, 2023, the Company invested an additional USD200,000, or $268 for 301,932 common shares and 301,932 warrants of MagIron which increased its interest to 16.3% on an undiluted basis. Each warrant entitles the Company to acquire one common share in MagIron at a price of USD0.66 per share, for a period of twenty-four months following the date of issuance, or January 31, 2025. The fair value of the warrants were calculated using the Black-Scholes options pricing model based on a an exercise price of USD0.66 per share, expected life of 2 years, annualized volatility of 86% based on a set of peers, and a risk-free rate of 3.76% resulting in a fair value of USD0.32 per warrant.

On April 26, 2023, the Company invested an additional USD101,014 or $138 for 92,878 common shares and 92,878 warrants of MagIron which increased its interest to 16.4% on an undiluted basis. Each warrant entitles the Company to acquire one common share in MagIron at a price of USD1.09 per share, for a period of twenty-four months following the date of issuance, or April 25, 2025. The fair value of the warrants were calculated using the Black-Scholes options pricing model based on a an exercise price of USD1.09 per share, expected life of 2 years, annualized volatility of 90% based on a set of peers, and a risk-free rate of 3.62% resulting in a fair value of USD0.54 per warrant.

On June 16, 2023, the Company invested an additional USD120,225 or $159 for 26,383 common shares and 26,383 warrants of MagIron which increased its interest to 16.4% on an undiluted basis. Each warrant entitles the Company to acquire one common share in MagIron at a price of USD4.56 per share, for a period of twenty-four months following the date of issuance, or June 14, 2025. The increase in the share price was driven by the valuation determined by MagIron management based on several factors which included a discounted cash flow model of the business, de-risking of the project, and positive flowsheet results from the Natural Resources Research Institute ("NRRI"). The transaction was deemed to represent the imputed fair value of CoTec's investment in MagIron. The fair value of the warrants were calculated using the Black-Scholes options pricing model based on an exercise price of USD4.56 per share, expected life of 2 years, annualized volatility of 94% based on a set of peers, and a risk-free rate of 4.56% resulting in a fair value of USD0.78 per warrant.

Management applies the price of recent investment valuation technique where it uses the initial cost of the investment or, where there has been subsequent investment, the price at which a significant amount of new investment into the investee was made, to estimate the enterprise value.

The most recent valuation of USD4.56 per MagIron share represented an increase in the Company's initial investment. Management also considered the uncertainties around the project milestones, and has applied an overall success factor of 50% to this gain, or $2.28 per share to reflect management's expectation of the project being successful as well as the likelihood of a liquidity event. This gain and any related changes in foreign exchange have been recorded through the statement of income as FVTPL in the amount of $10,966 for the period ended June 30, 2023.

On September 1, 2023, the Company exercised 181,159 warrants at a cost of USD120,000 or $162 which increased its interest to 16.6% on an undiluted basis.

On October 26, 2023, the Company invested an additional USD72,500, or $100 for 15,910 common shares and 159,100 warrants of MagIron which did not materially change its interest of 16.5% on an undiluted basis. Each warrant entitles the Company to acquire one common share in MagIron at a price of USD4.56 per share, for a period of 24 months following the date of issuance, or October 26, 2025. The fair value of the warrants were calculated using the Black-Scholes options pricing model based on an exercise price of USD4.56 per share, expected life of 2 years, annualized volatility of 95% based on a set of peers, and a risk-free rate of 4.72% resulting in a fair value of USD0.79.

On November 14, 2023, the Company invested an additional USD70,000, or $96 for 15,169 common shares and 379,225 warrants of MagIron which did not change its interest of 16.5% on an undiluted basis. Each warrant entitles the Company to acquire one common share in MagIron at a price of USD4.56 per share, for a period of 120 months following the date of issuance, or November 14, 2033. The fair value of the warrants were calculated using the Black-Scholes options pricing model based on a an exercise price of USD4.56 per share, expected life of 10 years, annualized volatility of 96% based on a set of peers, and a risk-free rate of 3.83% resulting in a fair value of USD1.93.

On February 8, 2024, the Company invested an additional USD12,800, or $17, for 2,809 common shares and 70,225 warrants of MagIron which did not change its interest of 16.5% on an undiluted basis. Each warrant entitles the Company to acquire one common share in MagIron at a price of USD4.56 per share, for a period of 120 months following the date of issuance, or February 8, 2034. The fair value of the warrants were calculated using the Black-Scholes options pricing model based on a an exercise price of USD4.56 per share, expected life of 10 years, annualized volatility of 95% based on a set of peers, and a risk-free rate of 3.54% resulting in a fair value of USD1.91.

On February 14, 2024, the Company subscribed for USD170,000, or $231 voting preference shares issued by MagIron ("Pref Shares") at a price of USD4.56 per share. The subscription for Pref Shares did not materially change its interest of 16.6% on an undiluted basis. The Pref Shares were issued pursuant to a cash call by MagIron. The Pref Shares have certain preferential conversion rights to convert into common shares in the event of a change of control. The preferential conversion rights ranges between a 5 and 10 times multiple, depending on the event. The Pref Shares will receive preferential dividends when MagIron starts to pay dividends until a multiple of 10x the subscription price has been received by the holders, whereafter the Pref Shares will convert to ordinary shares on a one-for-one basis. In the event of an insolvency, the Pref Shares will receive a preferential distribution of 10x its subscription price before distribution to other classes of shares.

(Expressed in Thousands of Canadian Dollars Unless Otherwise Stated)

On February 12, 2024, the Company was awarded US64,167, or $87 for board advisory services which were paid in Pref Shares with the same terms.

For the three months ended March 31, 2024, the change in fair value of the Company's equity investment was $1,415. No changes or events subsequent to the relevant transaction that would imply a change in the investment's fair value were identified.

Further, for the three months ended March 31, 2024, the change in fair value of the warrant investments was a $523 loss. The fair value of warrants were calculated using a relative fair value approach such that the total fair value assigned to the warrants and the equity investment in MagIron would not exceed the total consideration paid for each equity subscription. No changes or events subsequent to the relevant transaction that would imply a change in the investment's fair value were identified.

MagIron Warrant Summary

Date of Purchase	Exercise Price USD$	Expected Life	Annualized Volatility %	Risk-Free rate %	Warrant Fair Value USD$[1]
February 2, 2023	0.66	0.84 years	95%	4.17%	1.67
April 26, 2023	1.09	1.07 years	95%	4.17%	1.41
June 16, 2023	4.56	1.21 years	95%	4.17%	0.50
October 26, 2023	4.56	1.56 years	95%	4.17%	0.63
November 14, 2023	4.56	9.62 years	95%	3.45%	1.89
February 8, 2024	4.56	9.88 years	95%	3.45%	1.91

[1]*Based on Black-Scholes option pricing model, excluding adjustment for relative fair value approach*

Binding Solutions Limited ("BSL") Initial Investment

BSL is a UK based private company governed by the laws of England and Wales that has developed a proprietary cold agglomeration technology for the production of high-quality clean pellets from primary materials, waste dumps, and stockpiles.

Pursuant to the terms of a subscription agreement between the Company and BSL dated December 10, 2021, as amended (the "BSL Subscription Agreement"), the Company agreed to subscribe for a minimum of USD3.0 million and a maximum of USD4.0 million, to be funded in two tranches. as follows:

On April 13, 2022, the Company completed its initial investment of USD2 million, at USD731.50 per share, or approximately 2% of the outstanding shares of BSL.

On February 28, 2023, the Company completed its subsequent investment in BSL in the amount of USD500,000 at USD881.00 per share, which brings total ownership to approximately 3% of the outstanding shares of BSL.

In addition, on April 11, 2022, the Company and BSL entered into an investment agreement ("Investment Agreement") pursuant to which the Company received the exclusive right to apply BSL's pelletization technology to ferroalloy and slag waste projects in Canada, Germany, Austria and the Netherlands for a period of 36 months from the date of the Investment Agreement. Such application would be via one or more joint venture entities that would initially be owned 50/50 by CoTec and BSL and on terms and conditions set out in the Investment Agreement.

Subsequent to the Company's equity investment into BSL on April 14, 2022, BSL received an equity investment from an Asian based corporate group at a valuation of USD1,101.25 per share. On August 4, 2023, BSL received a subsequent equity investment by Australian-based MinRes at a higher valuation of USD1,412.64 per share. This valuation represents an 87% increase over the valuation which the Company has agreed for its initial USD2.5 million in BSL.

Changes in foreign exchange have been recorded through the statement of income as FVTPL in the amount of $151 for the quarter ended March 31, 2024. No changes or events subsequent to the relevant transaction that would imply a change in the investment's fair value were identified.

Ceibo Investment

On May 9, 2023, the Company completed a USD1.5 million equity investment into Ceibo Inc., or $2,007. Ceibo, a Delaware private corporation, through its wholly-owned Chilean subsidiary has developed a process to leach low-grade primary copper sulphides, such as chalcopyrite, and copper waste material using a proprietary high throughput inorganic leaching technology.

For the three months ended March 31, 2024, there was a $23 loss due to changes in FX recorded through FVTPL with no changes to the equity value. No changes or events subsequent to the initial transaction that would imply a change in the investment's fair value were identified.

6 Investment in Associates – Maginito Investment

On March 16, 2023, the Company completed a GBP1.5 million, or $2,496 equity investment into Maginito, for 10% of Maginito's equity. Maginito is a private company that was established by Mkango Resources Limited ("Mkango") (Note 7), which currently holds a 79.4% interest in Maginito as of March 31, 2024, to pursue downstream green technology opportunities in the rare earths supply chain, encompassing NdFeB magnet recycling and innovative rare earth alloy, magnet and separation technologies. On September 30, 2023, the Company exercised its option to increase its equity interest in Maginito to 20.6% through the conversion of its Mkango Convertible Loan into Maginito common shares (see Note 7 Notes Receivable).

In connection with the investment, Maginito and CoTec agreed to collaborate on the commercialization of downstream rare earth technologies in the United States and Mkango Rare Earths UK Ltd was transferred to become a 100% subsidiary of Maginito. Maginito and CoTec are evaluating development of recycling, chemical processing, alloy and magnet manufacturing in the United States, with scoping studies and site selection underway in advance of detailed feasibility studies, and ongoing discussions with potential customers and recycling partners.

On August 3, 2023, it was announced that Maginito completed the acquisition of UK rare earth neodymium (NdFeB) magnet recycler, HyProMag Limited ("HyProMag") by increasing its ownership from 42% to 100%. HyProMag has licensed the patented technology called HPMS (Hydrogen Processing of Magnet Scrap) developed in the Magnetic Materials Group (MMG) at the University of Birmingham.

The Company used this transaction of 100% ownership of HyProMag as a trigger to review the FV of the Maginito investment. Since the Company's initial investment into Maginito, there was a transaction announced on February 13, 2023, to increase Maginito's net ownership in one of HyProMag's subsidiaries, HyProMag GmbH from 80% to 90% via a EUR2.5 million convertible loan (assuming conversion). This transaction was not considered in the valuation when the Company first invested into Maginito as the valuation was previously agreed, and the transaction for 100% ownership was delayed until August 3, 2023 due to the death of a shareholder of HyProMag. This valuation implies that the imputed fair value of HyProMag GmbH is EUR25 million. Similar to MagIron, CoTec has applied an overall success factor of 70% to this gain, to reflect the execution risk of deploying the business in Germany. Based on CoTec's initial investment into Maginito, CoTec recorded a gain of $3,366 in the third quarter of 2023. The transaction was deemed to represent the imputed fair value per share of CoTec's investment in Maginito.

On September 29, 2023, the Company funded a cash call in Maginito of GBP130,970, or $216. On September 30, 2023, the Company completed its GBP2 million, or $3,411 equity investment into Maginito by converting the Mkango Convertible Loan which brought its total ownership to approximately 20.6% of the outstanding shares of Maginito. Significant influence was realized through its 20.6% stake in Maginito and board representation. Starting September 30, 2023, the Company accounts for its ownership of Maginito using the equity-method of accounting.

For the three months ended March 31, 2024, the Company recognized, based on its 20.6% ownership in Maginito, an equity pick-up equivalent to its pro rata share of Maginito's operating loss of $127 for the period between December 31, 2023 and March 31, 2024. The carrying value of the Company's 20.6% investment in Maginito as March 31,2024 is $9,655.

(Expressed in Thousands of Canadian Dollars Unless Otherwise Stated)

Operating and financial results of Maginito for the three months ended March 31, 2024, March 31, 2023, and year ended December 31, 2023:

In GBP000s		Mar. 31, 2024		Dec. 31, 2023
ASSETS				
TOTAL ASSETS	**£**	**6,034**	**£**	**6,106**
LIABILITIES				
TOTAL LIABILITIES		4,613		4,182
EQUITY				
TOTAL EQUITY		1,422		1,924
TOTAL LIABILITIES AND EQUITY	**£**	**6,034**	**£**	**6,106**

In GBP000s		For the three months ended Mar. 31, 2024		Mar. 31, 2023
EXPENSES				
General and administrative		(345)		(272)
Mineral project expenditures		-		
Other items		(171)		(69)
Operating loss		**(516)**		**(341)**
Income tax expense		28		-
Foreign exchange		(4)		-
Comprehensive loss for the period	**£**	**(492)**	**£**	**(341)**
Net loss per common share (Note 12)				
Attributable to Maginito shareholders	**£**	**(484)**	**£**	**(341)**
Attributable to minority interest	**£**	**(8)**	**£**	**-**

7 HyProMag USA Joint Venture

On January 3, 2024, the company created a joint venture entity, HyProMag USA LLC (“HyProMag USA JV”), with Maginito Limited following where each party owns a 50% equity interest.

The investment in the joint venture is accounted for using the equity method. As of March 31, 2024, the carrying amount of the investment in HyProMag USA is $nil.

During the period ended March 31, 2024, HyProMag USA JV incurred losses amounting to USD362,000, or $489. The Company’s share of the losses is USD181,000, or $244. However, due to the carrying amount of the investment being nil, the Company has not recognized its share of losses in accordance with IAS

28.38. The Company will resume recognizing its share of profits only after the unrecognized losses have been offset by future profits and the initial capital has been fully reimbursed.

As of March 31, 2024, the unrecognized losses amounted to USD181,000, or $244.

Per the HyProMag USA JV agreement, the Company is required to fund 100% of the initial capital of HyProMag USA. The Company will be reimbursed for this initial capital in priority to any other distributions or dividends from the joint venture until the full amount of the initial capital is returned.

During the period, the Company made payments amounting to USD312,000, or $422 on behalf of HyProMag USA to cover specific expenses. The Company recorded a receivable from the HyProMag USA JV of USD312,000, or $422, reflecting the expectation of repayment as per the agreement in priority from future distributions or dividends from the joint venture.

8 Notes Receivable

On November 22, 2022, the Company entered into a $300 bridge loan ("Bridge Loan") to International Zeolite Corp. ("IZ"). The Bridge Loan is secured by a first ranking charge in favour of CoTec over all of IZ's assets. IZ is a public company that engages in the exploration, development, production and distribution of the natural industrial mineral zeolite, and trades on the TSX-V under IZ. The Bridge Loan bears interest at 7% per annum as is repayable on the earlier of November 21, 2024, or change of control of IZ. For the three months ended March 31, 2024, the Bridge Loan has accrued interest of $6.

9 Exploration and Evaluation

Lac Jeannine Project

On August 9, 2023, the Company entered into an option agreement to acquire 31 mining claims forming the Lac Jeannine Property located in the Cote-Nord region of Quebec, Canada. The Company has also made the first payment of US$40,000 as per the option agreement announced.

As of March 31, 2024, the Company has incurred $560 in expenditures on the Lac Jeannine Project with no indicators of impairment.

10 Related Party Transactions

Compensation of Key Management

In accordance with IAS 24, key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly. The Company has identified the Chief Executive Officer, Chief Financial Officer, Chief Operating Officer and Board Chairman as its key management personnel. The remuneration of key management is determined by the compensation committee of the Board of Directors. The consulting fees and other compensation of key management personnel were as follows for the three months ended March 31, 2024, and March 31, 2023:

(Expressed in Thousands of Canadian Dollars Unless Otherwise Stated)

	Mar. 31, 2024 **$**	**Mar. 31, 2023** **$**
Short-term salaries and benefits	(359)	(347)
Share-based compensation expense	(217)	(118)
Total	**(576)**	**(465)**

Short-term salaries and benefits include $360 accrued salaries for the CEO and CFO.

Other Related Party Transactions

As at March 31, 2024, a total of $2 was payable to a Director and an Officer for expenses paid on behalf of the Company which is included in trade and other payables. No agreed terms were stipulated for the $2 payable. $838 was accrued for salaries for both the CEO and CFO which is included in accrued liabilities.

On May 3, 2023, the Company entered into a fifth unsecured loan agreement with Kings Chapel for an amount of USD1,500,000 or $2,026 ("Kings Chapel Loan 5"). The purpose of the Kings Chapel Loan 5 was to fund the Ceibo investment. The Kings Chapel Loan 5 bears interest of 10% per year compounded annually, and has a maturity date of May 4, 2025. 25% of the loan principal was repaid on December 4, 2023, and 50% of the loan principal was repaid on December 21, 2023. For the quarter ended March 31, 2024, $13 was incurred for accrued interest.

On June 15, 2023, the Company entered into a sixth unsecured loan agreement with Kings Chapel for an amount of USD120,000 or $159 ("Kings Chapel Loan 6"). The purpose of the Kings Chapel Loan 6 was to fund the additional investment in MagIron. The Kings Chapel Loan 6 bears interest of 10% per year compounded annually, and has a maturity date of June 15, 2025. For the quarter ended March 31, 2024, $4 was incurred for accrued interest.

On July 20, 2023, the Company entered into a loan note of USD1.2 million with Kings Chapel ("Kings Chapel Loan Facility") to fund general working capital requirements. The loan note attracts interest at 10% per annum, is unsecured and is repayable on the earlier of the date on which the Company receives gross proceeds from equity financing transactions of at least $5 million and July 20, 2025. The loan will be drawn down in tranches.

On July 24, 2023, the Company drew down on its Kings Chapel Loan Facility in the amount of USD300,000 or $395. On August 31, 2023, the Company drew down on its Kings Chapel Loan Facility in the amount of USD300,000 or $395. On September 15, 2023, the Company drew down on its Kings Chapel Loan Facility in the amount of USD200,000 or $271.

On October 10, 2023, the Company drew down on its Kings Chapel Loan Facility in the amount of USD200,000 or $272. On October 19, 2023, the Company drew down on its Kings Chapel Loan Facility in the amount of USD200,000 or $274. For the quarter ended March 31, 2024, $33 was incurred for accrued interest for the Kings Chapel Loan Facility.

Pursuant to the compensation agreements with the CEO, the Company has awarded to the CEO additional EIUs equal to 7% of the common shares issued or issuable pursuant to financing transactions on each closing date of such transactions from August 11, 2021 until April 30, 2023. Each EIU is equivalent in value to one common share of the Company, and will vest on the earlier of i) September 30, 2024, provided that the 30-day volume weighted average trading price ("VWAP") of the common shares as of that date on the principal stock exchange on which they are then traded is at least $0.50 per share (adjusted as required to give effect to any stock splits, consolidations or other reorganizations of the common shares after the date hereof), and ii) the date on which the Company completes a change of control (the "Vesting Date"), provided in either case that the Director becomes engaged with the Company as Executive Chair or CEO and remain so engaged as of the Vesting Date. If the EIUs vest in accordance with the aforementioned conditions, then no later than 10 days after the Vesting Date, the Company will deliver in respect of every Unit, at its discretion, either i) one common share or ii) a cash payment equal to the VWAP of the common shares on the primary stock exchange for the five trading days immediately preceding the Vesting Date. Given the current cash position of the Company, it is more likely at this stage that these EIUs will be settled with common shares and as such have been recorded as Equity-settled Share-Based Compensation.

The Company has also awarded to the CEO additional stock options equal to 5% of the common shares issued or issuable pursuant to financing transactions on each closing date of such transactions from August 11, 2021, until April 30, 2023.

Pursuant to the compensation agreements with the CEO, the Company has awarded to the CEO additional EIUs equal to 7% of the common shares issued or issuable pursuant to financing transactions on each closing date of such transactions from November 27, 2023 until December 31, 2025. Each EIU is equivalent in value to one common share of the Company, and will vest on the earlier of i) December 31, 2026, provided that the 30-day volume weighted average trading price ("VWAP") of the common shares as of that date on the principal stock exchange on which they are then traded is at least $1.10 per share (adjusted as required to give effect to any stock splits, consolidations or other reorganizations of the common shares after the date hereof), and ii) the date on which the Company completes a change of control (the "Vesting Date"), provided in either case that the Director becomes engaged with the Company as Executive Chair or CEO and remain so engaged as of the Vesting Date. If the EIUs vest in accordance with the aforementioned conditions, then no later than 10 days after the Vesting Date, the Company will deliver in respect of every Unit, at its discretion, either i) one common share or ii) a cash payment equal to the VWAP of the common shares on the primary stock exchange for the five trading days immediately preceding the Vesting Date. Given the current cash position of the Company, it is more likely at this stage that these EIUs will be settled with common shares and as such have been recorded as Equity-settled Share-Based Compensation.

The Company has also awarded to the CEO additional stock options equal to 5% of the common shares issued or issuable pursuant to financing transactions on each closing date of such transactions from November 27, 2023 until December 31, 2025.

As at March 31, 2024, the fair value of the EIUs were calculated using Monte Carlo simulation using an expected volatility of approximately 66% based on historical volatility to estimate the expected value by averaging the ending stock prices as at the vesting dates over 10,000 simulations.

EIU's granted to the CEO and Board Chairman pursuant to the above-noted arrangement as of March 31, 2024 are presented below:

		EIUs Granted				(in Thousands)
Date of Grant	**Vesting Date**	**Owner**	**Number Awarded #**	**Grant Value $**	**Grant Value $ at March 31, 2024**	**(Expense)/Recovery recorded at March 31,2024**
August 11, 2021	August 30, 2024	CEO	2,305,831	153	919	(75)
April 19, 2022	September 20, 2024	CEO/Chair.	996,677	320	397	77
September 7, 2022	September 20, 2024	CEO	282,828	99	113	17
March 10, 2023	December 31, 2026	CEO	1,129,668	311	450	72
November 27, 2023	December 31, 2026	CEO	210,000	26	59	(4)
December 1, 2023	December 31, 2026	CEO	139,426	44	39	(3)
December 19, 2023	December 31, 2026	CEO	42,509	17	12	(1)
February 15, 2024	December 31, 2026	CEO	91,000	25	26	(1)
			5,197,940	**$995**	**$2,015**	**82**

Stock Options granted to the CEO and Board Chairman pursuant to the above-noted arrangement as of March 31, 2024 are presented below:

		Stock Options Granted					(in Thousands)
Date of Grant	**Vesting Date**	**Owner**	**Number Awarded #**	**Grant Value $**	**Exercise Price $**	**Term**	**(Expense)/Recovery recorded at March 31,2024**
September 24, 2021	August 30, 2025	CEO	1,152,916	0.17	0.30	10	(5)
October 8, 2021	January 24, 2027	Chair.	288,229	0.46	0.55	10	(2)
April 20, 2022	September 20, 2024	CEO	569,530	0.46	0.55	10	(18)
April 20, 2022	April 20, 2032	Chair.	142,382	0.46	0.55	10	(5)
September 7, 2022	September 20, 2024	CEO	202,020	0.43	0.46	10	(6)
April 24, 2023	April 24, 2033	CEO	806,905	0.44	0.50	10	(54)
December 1, 2023	September 20, 2024	CEO	99,590	0.55	0.75	10	(3)
December 19, 2023	September 20, 2024	CEO	30,364	0.57	0.75	10	(3)
January 25, 2024	September 20, 2024	CEO	279,954	0.56	0.75	10	(17)
			3,429,508				**(113)**

(Expressed in Thousands of Canadian Dollars Unless Otherwise Stated)

11 Fair Value Measurements of Financial Instruments

The categories of fair value hierarchy that reflect the significance of inputs used in making fair value measurements are as follows:

Level 1 – quoted in active markets for identical assets or liabilities;

Level 2 – inputs other than quoted prices included in 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 – inputs for the asset or liability that are not based on observable market data

The levels in the fair value hierarchy into which our financial assets and liabilities that are measured and recognized in the consolidated statements of financial position at fair value on a recurring basis were categorized as follows:

	Fair value at March 31, 2024			
	Level 1	**Level 2**	**Level 3(1)**	**Total**
Equity securities	-	-	25,010	25,010
Magiron Warrants	-	-	497	497
Balance, end of period	**-**	**-**	**25,507**	**25,507**

(1) Equity securities of MagIron are included in Level 3 as the basis of valuation do not have regular market pricing, but fair value can be determined based on a combination of evidence from an external arm’s length transaction associated with the investee’s equity, as well as certain assumptions used in the calculation of the fair value are not based on observable market data. Equity securities of BSL are included in Level 3 as the basis of valuation do not have a regular market pricing, but fair value can be determined based on evidence from external transactions in the investee’s equity. Equity securities of Maginito are included in Level 3 as the basis of valuation do not have a regular market pricing, but fair value can be determined based on evidence from external transactions in the investee’s equity.

The carrying value of cash, receivables, and accounts payable approximates fair value due to the short-term nature of the financial instruments. During the three months ended March 31, 2023, no amounts were transferred between Levels.

Sensitivity Analysis for Recurring Fair Value Measurements Categorized within Level 3

Sensitivity analysis of financial instruments is performed to measure favourable and unfavourable changes in fair value of financial instruments which are affected by the unobservable parameters, by varying input parameters to showcase step-changes in fair value. When the fair value is affected by more than two input parameters, the amounts represent the most favourable or unfavourable.

The results of the sensitivity analysis for effect on profit or loss (before tax) from changes in inputs for the major financial instruments which are categorized within Level 3 and subject to sensitivity analysis are as follows:

(Expressed in Thousands of Canadian Dollars Unless Otherwise Stated)

	Favourable changes ($)		**Unfavourable changes ($)**	
	Profit or loss	Equity	Profit or loss	Equity
Financial assets at FVTPL	2,507	2,507	(2,507)	(2,507)

For equity investments, changes in their fair value are calculated by considering changes of discount rate (1% increase/decrease), changes in equity revaluation (10% increase/decrease), and changes in the MagIron success factor (10% increase/decrease).

12 Income Per Share

The calculations of basic and diluted income per share are based on the following:

	Mar. 31, 2024	**Mar. 31, 2023**
Net loss attributable to equity holders of CoTec	**$ (39)**	$ (520)
Weighted average number of common shares issued	61,568	47,069
Adjustments for dilutive instruments:		
Stock options	490	462
Warrants	27	-
EIUs	891	-
Diluted weighted average number of shares outstanding	62,977	47,069
Basic net loss per share	**($0.00)**	($0.01)
Diluted net loss per share	**($0.00)**	($0.01)

13 Risk Management

The Company is exposed to various financial instrument risks and assesses the impact and likelihood of this exposure. These risks include credit risk, currency risk, and liquidity risk. Where material, these risks are reviewed and monitored by the Board of Directors.

Credit Risk

Credit risk is the risk of potential loss to the Company if the counterparty to a financial instrument fails to meet its contractual obligations. The Company's credit risk is primarily attributable to its liquid financial assets including cash and receivables and the Company's IZ note receivable. The Company limits its exposure to credit risk on liquid financial assets through maintaining its cash with high-credit quality financial institutions as determined by credit rating agencies. Receivables mainly consist of interest receivable from its cashable guaranteed investment certificate ("GIC").

Currency risk

The Company's operations are in Canada, the United States, and the United Kingdom. The international nature of the Company's operations results in foreign exchange risk as transactions are denominated in foreign currency. The Company's operating expenses are incurred primarily in Canadian dollars, its assets in British Pounds, and its liabilities are denominated primarily in Canadian dollars, or US dollars. The fluctuation of the Canadian dollar will, consequently, have an impact upon the reported profitability of the Company and may also affect the value of the Company's assets and liabilities. As at March 31, 2024, the Company held cash in Canadian and US Dollars, therefore would incur some currency risk in its position. If the CADUSD FX rate increased/decreased by +/-10%, then the resulting change in USD cash balance would increase/decrease by $1/($1). Sensitivities that create notable step-changes in fair value are shown in Note 11. The Company has not entered into any agreements or purchased any instruments to hedge possible currency risks at this time.

Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its obligations associated with its financial liabilities. The Company has historically relied upon equity financings, and short-term debt to satisfy its capital requirements and will continue to depend heavily upon these financing activities. All of the Company's accounts payable and accrued liabilities have contractual maturities of 30 days or due on demand and are subject to normal trade terms. The Company is exposed to risk that it will encounter difficulty in satisfying liabilities on maturity. The loan is an unsecured promissory note. There can be no assurance the Company will be able to obtain required financing in the future on acceptable terms. The Company will need additional capital in the future to finance ongoing expenses, such capital to be derived from the exercise of outstanding stock options, and, or the completion of other equity financings. The Company has limited financial resources, has no source of operating income and has no assurance that additional funding will be available to it for future development of its projects, although the Company has been successful in the past in financing its activities through the previously mentioned financing activities. The ability of the Company to arrange additional financing in the future will depend, in part, on the prevailing capital market conditions, and underlying success of its investments. In recent years, the securities markets have experienced wide fluctuations in price which have not necessarily been related to the operating performance, underlying asset values or prospects of such companies. There can be no assurance that continual fluctuations in price will not occur. Any quoted market for the common shares may be subject to market trends generally, notwithstanding any potential success of the Company in creating revenue, cash flows or earnings which are subject to risks around the Company being able to operate as a going concern (see Note 1)

Price Risk

The Company is exposed to price risk with respect to commodity and equity prices. Equity price risk is defined as the potential adverse impact on the Company's earnings due to movements in individual equity prices or general movements in the level of the stock market. Commodity price risk is defined as the potential adverse impact on earnings and economic value due to commodity price movements and volatilities. The Company closely monitors the commodity prices of iron ore, individual equity movements and the stock market to determine the appropriate course of action to be taken by the Company. The Company's equity investments amounting to $25,072 are subject to fair value fluctuations. As at March 31, 2024, if the fair value of the Company's marketable securities had decreased/increased by 10% with all other variables held constant, income and comprehensive income for the period would have been approximately $2,507 higher/lower.

14 Subsequent Events

Private Placement

On April 17, 2024, the Company announced a non-brokered private placement of up to 6,000,000 Units ("April Private Placement"). On April 25, 2024, the Company completed the initial closing of the April Private Placement and issued a total of 4,141,025 Units at a price of C$0.50 per subscription receipt for gross proceeds of $2,070. Each Unit consists of one common share in the capital of the Company, and one Common Share purchase warrant ("Warrant"). Each Warrant entitles the holder to purchase one Common Share at an exercise price of C$1.05 for a period of 12 months following the issuance of the Units. On May 15, 2024, the Company completed the second and final closing of the April Private Placement and issued a total of 1,005,000 Units at a price of C$0.50 per subscription receipt for gross proceeds of $503. Each Unit consists of one common share in the capital of the Company, and one Common Share purchase Warrant. The Company issued an aggregate of 5,146,025 Units for aggregate gross proceeds of $2,573 pursuant to the April Private Placement.