



TURMALINA METALS CORP.

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
(Unaudited- Expressed in Canadian Dollars)

FOR THE THREE AND SIX MONTH PERIOD ENDED JUNE 30, 2024 AND 2023

NOTICE OF NO AUDITOR REVIEW OF INTERIM FINANCIAL STATEMENTS

The accompanying unaudited interim financial statements have been prepared by management and approved by the Audit Committee and Board of Directors.

The Company's independent auditors have not performed a review of these condensed consolidated interim financial statements in accordance with the standards established by the Canadian Institute of Chartered Accountants for a review of interim financial statements by an entity's auditors.

This notice is being provided in accordance with National Instrument 51-102 – Continuous Disclosure Obligations.

TURMALINA METALS CORP.
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF FINANCIAL POSITION
(Expressed in Canadian Dollars)
AS AT

	June 30, 2024	December 31, 2023
ASSETS		
Current		
Cash	\$ 74,711	\$ 22,172
Receivables and prepaid expenses (Note 4)	<u>72,380</u>	<u>65,204</u>
	147,091	87,376
Mineral properties (Note 5)	<u>2,297,592</u>	<u>1,830,251</u>
	<u>\$ 2,444,683</u>	<u>\$ 1,917,627</u>
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current		
Accounts payable and accrued liabilities (Note 6)	\$ <u>487,212</u>	\$ <u>528,016</u>
Shareholders' equity		
Share capital (Note 7)	29,958,408	28,071,457
Contributed surplus (Note 7)	5,566,339	5,134,536
Deficit	<u>(33,567,276)</u>	<u>(31,816,382)</u>
	<u>1,957,471</u>	<u>1,389,611</u>
	<u>\$ 2,444,683</u>	<u>\$ 1,917,627</u>

Nature and continuance of operations (Note 1)

Approved and authorized by the Board on August 16, 2024.

<u>"James Rogers"</u>	Director	<u>"Latika Prasad"</u>	Director
James Rogers		Latika Prasad	

The accompanying notes are an integral part of these condensed consolidated interim financial statements.

TURMALINA METALS CORP.**CONDENSED CONSOLIDATED INTERIM STATEMENTS OF LOSS AND COMPREHENSIVE LOSS**

(Expressed in Canadian Dollars)

	Three months ended June 30, 2024	Three months ended June 30, 2023	Six months ended June 30, 2024	Six months ended June 30, 2023
EXPENSES				
Consulting fees	\$ 20,141	\$ 12,181	\$ 26,281	\$ 68,843
Directors and advisory fees (Note 6)	27,280	49,532	152,661	93,969
Exploration costs (Note 5 and 6)	557,026	630,540	787,909	1,123,509
Foreign exchange	(48,167)	3,733	(26,190)	(16,239)
Interest income	(2,836)	(16,423)	(2,914)	(18,181)
Investor relations	-	21,000	-	42,000
Management fees (Note 6)	62,100	103,557	123,750	205,919
Marketing and shareholder communications	15,695	65,074	28,505	207,324
Office and administrative expenses	17,044	53,521	24,555	89,199
Professional fees (Note 6)	81,313	57,819	127,092	112,038
Property investigation costs	23,857	-	64,567	-
Share-based payments (Note 6 and 7)	187,043	-	369,495	15,885
Transfer agent, filing and listing fees	33,636	19,409	42,611	40,007
Travel	26,137	61,182	32,572	108,551
Loss and comprehensive loss for the period	\$ (1,000,269)	\$ (1,061,125)	\$ (1,750,894)	\$ (2,072,824)
Basic and diluted loss per common share	\$ (0.01)	\$ (0.01)	\$ (0.02)	\$ (0.03)
Weighted average number of common shares outstanding – basic and diluted	99,010,629	78,010,629	88,179,228	75,248,198

The accompanying notes are an integral part of these condensed consolidated interim financial statements.

TURMALINA METALS CORP.
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CASH FLOWS
(Expressed in Canadian Dollars)
FOR THE PERIOD ENDED JUNE 30

	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss for the period	\$ (1,750,894)	\$ (2,072,824)
Items not involving cash:		
Share-based payments	369,495	15,885
Non-cash working capital item changes:		
Receivables and prepaid expenses	(7,176)	(128,611)
Accounts payable and accrued liabilities	<u>(40,804)</u>	<u>(173,281)</u>
Net cash used in operating activities	<u>(1,429,379)</u>	<u>(2,358,831)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of mineral property	<u>(467,341)</u>	<u>(238,320)</u>
Net cash used in investing activities	<u>(467,341)</u>	<u>(238,320)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issuance of shares	2,100,000	5,000,000
Share issuance costs	<u>(150,741)</u>	<u>(318,848)</u>
Net cash provided by financing activities	<u>1,949,259</u>	<u>4,681,152</u>
Change in cash for the period	52,539	2,084,001
Cash, beginning of period	<u>22,172</u>	<u>20,664</u>
Cash, end of period	<u>\$ 74,711</u>	<u>\$ 2,104,665</u>

During the period ended June 30, 2024, the Company issued 1,028,650 (2023 – 564,719) compensation warrants valued at \$62,308 (2023 - \$100,770). There were no other significant non-cash financing and investing activities during the periods ended June 30, 2024 or June 30, 2023. No cash was paid for interest or taxes for the periods ended June 30, 2024 and 2023.

The accompanying notes are an integral part of these condensed consolidated interim financial statements.

TURMALINA METALS CORP.**CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY**

(Expressed in Canadian Dollars)

	Number	Amount	Contributed Surplus	Deficit	Total
Balance, December 31, 2022	66,899,518	\$ 23,991,075	\$ 4,247,548	\$ (26,337,092)	\$ 1,901,531
Shares issued during private placement	11,111,111	5,000,000	-	-	5,000,000
Share issuance cost	-	(318,848)	-	-	(318,848)
Warrants issued	-	(100,770)	100,770	-	-
Share-based payments	-	-	15,885	-	15,885
Loss for the period	-	-	-	(2,072,824)	(2,072,824)
Balance, June 30, 2023	78,010,629	\$ 28,571,457	\$ 4,364,203	\$ (28,409,916)	\$ 4,525,744
Balance, December 31, 2023	78,010,629	\$ 28,071,457	\$ 5,134,536	\$ (31,816,382)	\$ 1,389,611
Shares issued during private placement	21,000,000	2,100,000	-	-	2,100,000
Share issuance cost	-	(150,741)	-	-	(150,741)
Warrants issued	-	(62,308)	62,308	-	-
Share-based payments	-	-	369,495	-	369,495
Loss for the period	-	-	-	(1,750,894)	(1,750,894)
Balance, June 30, 2024	99,010,629	\$ 29,958,408	\$ 5,566,339	\$ (33,567,276)	\$ 1,957,471

The accompanying notes are an integral part of these condensed consolidated interim financial statements.

TURMALINA METALS CORP.**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

(Expressed in Canadian Dollars)

FOR THE PERIOD ENDED JUNE 30, 2024

1. NATURE AND CONTINUANCE OF OPERATIONS

Turmalina Metals Corp. (the “Company”) was incorporated in Canada under the British Columbia Corporations Act on March 21, 2017. The Company is principally engaged in the acquisition and exploration of resource properties. The Company’s shares are publicly traded on the TSX Venture Exchange (the “TSXV”) under the symbol TBX. The head office, records office, and principal address of the Company is 1507-1030 West Georgia Street, Vancouver, British Columbia, V6E 2Y3. The Company is in the process of investing in potential new acquisitions and exploring and evaluating its resource properties and has not yet determined whether the properties contain ore reserves that are economically recoverable.

These condensed consolidated interim financial statements have been prepared in accordance with IFRS Accounting Standards (“IFRS”) with the assumption that the Company will be able to realize its assets and discharge its liabilities in the normal course of business rather than through a process of forced liquidation. The Company has incurred losses from inception and does not currently have the financial resources to sustain operations in the long-term. While the Company has been successful in obtaining its required funding in the past, there is no assurance that such future financing will be available or be available on favourable terms. An inability to raise additional financing may impact the future assessment of the Company as a going concern. These material uncertainties may cast significant doubt about the ability of the Company to continue as a going concern.

These condensed consolidated interim financial statements do not include adjustments to amounts and classifications of assets and liabilities that might be necessary should the Company be unable to continue operations. Continued operations of the Company are dependent on the Company's ability to receive financial support, necessary financings, or generate profitable operations in the future.

There are many external factors that can adversely affect general workforces, economies and financial markets globally. Examples include, but are not limited to, the COVID-19 global pandemic and political conflict in other regions. It is not possible for the Company to predict the duration or magnitude of adverse results of such external factors and their effect on the Company’s business or ability to raise funds.

2. BASIS OF PREPARATION**Statement of compliance**

These condensed consolidated interim financial statements, including comparatives have been prepared using accounting policies consistent with IFRS Accounting Standards as issued by the International Accounting Standards Board (“IASB”).

These condensed consolidated interim financial statements statements have been prepared on a historical cost basis, except for financial instruments classified as financial instruments at fair value through profit and loss, which are stated at their fair value.

Basis of consolidation

These consolidated financial statements include the accounts of the Company and its subsidiaries, Aurora Mining S.A. (Argentina – 100% effective interest) and Aurora Copper Peru S.A.C. (Peru – 100% effective interest). The subsidiaries’ principal activity is mineral exploration.

TURMALINA METALS CORP.
NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
(Expressed in Canadian Dollars)
FOR THE PERIOD ENDED JUNE 30, 2024

2. BASIS OF PREPARATION (cont'd...)

Basis of consolidation (cont'd...)

Subsidiaries are all entities over which the Company has exposure to variable returns from its involvement and has the ability to use power over the investee to affect its returns. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Company controls another entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Company until the date on which control ceases.

The accounts of subsidiaries are prepared for the same reporting period as the parent company, using consistent accounting policies. Inter-company transactions, balances and unrealized gains or losses on transactions are eliminated upon consolidation.

Basis of measurement

These consolidated financial statements are presented in Canadian dollars, which is also the Company's and its subsidiaries' functional currency and have been prepared on a historical cost basis, except for certain financial instruments, which are carried at fair value. In addition, these consolidated financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

Significant Accounting Judgments and Estimates

The preparation of these consolidated financial statements requires management to make judgments and estimates and form assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and reported amounts of expenses during the reporting period. On an ongoing basis, management evaluates its judgments and estimates in relation to assets, liabilities and expenses. Management uses historical experience and various other factors it believes to be reasonable under the given circumstances as the basis for its judgments and estimates. Actual outcomes may differ from these estimates.

The most significant estimates relate to the valuation of deferred income tax amounts and calculation of share-based payments, which are discussed below:

Deferred income tax

The determination of income tax is inherently complex and requires making certain estimates and assumptions about future events. While income tax filings are subject to audits and reassessments, the Company has adequately provided for all income tax obligations. However, changes in facts and circumstances as a result of income tax audits, reassessments, jurisprudence and any new legislation may result in an increase or decrease in our provision for income taxes.

Share-based payments

The Company measures the cost of equity-settled transactions by reference to the fair value of the equity instruments at the date at which they are granted. Estimating fair value for share-based payment transactions requires determining the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires determining the most appropriate inputs to the valuation model including the expected life of the share option, volatility and dividend yield and making assumptions about them.

The most significant judgments relate to the functional currency of the Company and its subsidiaries and impairment of exploration and evaluation assets, which are discussed below:

TURMALINA METALS CORP.
NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
(Expressed in Canadian Dollars)
FOR THE PERIOD ENDED JUNE 30, 2024

2. BASIS OF PREPARATION (cont'd...)

Significant accounting judgments and estimates (cont'd...)

Impairment of exploration and evaluation assets

The carrying value and recoverability of mineral properties requires management to make certain estimates, judgments and assumptions about each project. Management considers the economics of the project, including the latest resource prices and the long-term forecasts, and the overall economic viability of the project. Management has assessed these indicators and does not believe an impairment provision is required.

Determination of functional currency

The functional currencies of the Company and its subsidiaries are outlined in the Basis of Measurement section above. The determination of functional currency involves certain judgments to determine the primary economic environment. The Company reconsiders the functional currency if there are changes in events and conditions impacting the factors used in the determination of the primary economic environment

3. MATERIAL ACCOUNTING POLICY INFORMATION

The Company's material accounting policies are the same as those applied in the Company's consolidated financial statements for the year ended December 31, 2023. These condensed consolidated interim financial statements should be read in conjunction with the Company's consolidated financial statements for the year ended December 31, 2023.

4. RECEIVABLES AND PREPAID EXPENSES

	March 31, 2024	December 31, 2023
Goods and service tax ("GST") receivable	\$ 67,603	\$ 49,613
Other receivables and advances	682	3,302
Prepayments	<u>4,095</u>	<u>12,289</u>
Total	<u>\$ 72,380</u>	<u>\$ 65,204</u>

5. MINERAL PROPERTY

Title to mineral property interests

Although the Company has taken steps to verify title to mineral properties in which it has an interest, these procedures do not guarantee the Company's title. Such properties may be subject to prior agreements or transfers and titles may be affected by undetected defects.

San Francisco Project, Argentina

The San Francisco Project is made up of five separate agreements, as described below:

TURMALINA METALS CORP.**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

(Expressed in Canadian Dollars)

FOR THE PERIOD ENDED JUNE 30, 2024

5. MINERAL PROPERTY (cont'd...)**El Tapau - San Francisco Project, Argentina**

On September 24, 2018, the Company entered into an option agreement with third parties to acquire a 100% interest in certain claims known as the El Tapau Project, Argentina. The Company can acquire a 100% interest in the property by making payments and incurring exploration expenditures and drilling as follows:

	Cash Payment (USD \$)	Minimum Exploration Expenditures (USD \$)	Minimum Drilling (Meters)
September 24, 2018 (paid)	40,000	-	-
September 24, 2019 (paid and completed)	70,000	300,000	-
November 24, 2020 (paid and completed)	100,000	-	3,000
November 24, 2021 (paid and completed)	250,000	-	4,000
September 30, 2022 *(paid)	100,000	-	-
November 24, 2023** (paid and completed)	18,750	750,000	-
January 24, 2024** (paid)	131,250	-	-
November 24, 2024	900,000	-	-
	<u>1,610,000</u>	<u>1,050,000</u>	<u>7,000</u>

* On August 31, 2022, the Company agreed to a 1 year extension for the final payment for consideration of USD\$100,000.

** On October 23, 2023, the Company agreed to pay USD\$150,000 for a 1 year extension and a reduction to the final payment to USD\$900,000. The Company paid USD\$18,750 of the USD\$150,000 and negotiated a 90 extension on the balance of USD\$131,250.

The third parties retain a 2.5% Net Smelter Returns (“NSR”) royalty, which the Company may purchase for a payment of USD\$2,500,000.

Cerro Negro - San Francisco Project, Argentina

On September 25, 2018, the Company entered into an option agreement with third parties to acquire a 100% interest in certain claims known as the Cerro Negro Project, Argentina. The Company can acquire a 100% interest in the property by making payments and incurring exploration expenditures as follows:

	Cash Payment (USD \$)	Minimum Exploration Expenditures (USD \$)
Upon signing LOI (paid)	5,000	-
September 25, 2018 (paid)	15,000	-
Upon receiving drilling permits (paid)	30,000	-
September 25, 2019 (paid and completed)	50,000	300,000
November 25, 2020 (paid and completed)	100,000	500,000
November 25, 2021 (paid and completed)	250,000	500,000
October 31, 2022 (paid)*	200,000	-
November 25, 2023**(paid and completed)	10,000	750,000
January 24, 2024** (paid)	150,000	-
November 25, 2024**	900,000	-
	<u>1,710,000</u>	<u>2,050,000</u>

* On October 31, 2022 the Company agreed to a 1 year extension for the final payment for consideration of USD\$200,000.

TURMALINA METALS CORP.**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

(Expressed in Canadian Dollars)

FOR THE PERIOD ENDED JUNE 30, 2024**5. MINERAL PROPERTY (cont'd...)****Cerro Negro - San Francisco Project, Argentina (cont'd...)**

** On October 24, 2023, the Company agreed to a pay US\$150,000 for a 1 year extension and reduction to the final payment to USD\$900,000. The USD\$150,000 was subsequently extended for consideration of USD\$10,000 and was subsequently paid.

The third parties retain a 2% NSR royalty, of which the Company may purchase 55%, or 1.1%, of the NSR for a payment of USD\$1,250,000.

Don David - San Francisco Project, Argentina

On August 24 2022, the Company entered into an option agreement with third parties to acquire a 100% interest in certain claims known as the Don David Project, Argentina. The Company can acquire a 100% interest in the property by making payments and incurring exploration expenditures and drilling as follows:

	Cash Payment (USD \$)
August 24, 2022 (paid)	15,000
At signing of First Addendum* (paid)	15,000
At 5 th month of the Environmental Permit (paid subsequently)	35,000
August 24, 2024	100,000
August 24, 2025	150,000
August 24, 2026	250,000
August 24, 2027	1,000,000
	1,565,000

	Minimum Exploration Expenditures (USD \$)	Minimum Drilling (Meters)
At 1 st year anniversary from Environmental Permit		2,000
At 2 nd year anniversary from Environmental Permit	300,000	-
At 3 rd year anniversary from Environmental Permit	600,000	-
At 4 th year anniversary from Environmental Permit	750,000	-
	1,650,000	-

* During the period ended September 30, 2023, the Company agreed to split cash payment corresponding to August 24, 2023 of US\$50,000 in two: at the signing of said addendum and at the 5th month after obtaining the environmental permit, which was granted on August 24, 2023.

The third parties retain a 2% NSR royalty, of which the Company may purchase 50%, (1%), of the NSR for a payment of USD\$1,000,000.

TURMALINA METALS CORP.**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

(Expressed in Canadian Dollars)

FOR THE PERIOD ENDED JUNE 30, 2024

5. MINERAL PROPERTY (cont'd...)**Miranda - San Francisco Project, Argentina**

On July 1, 2020, the Company entered into an option agreement with third parties to acquire a 100% interest in certain claims known as the Miranda Project, Argentina. The Company can acquire a 100% interest in the property by making payments as follows:

	<u>Cash Payment (USD \$)</u>
Upon signing definitive agreement (paid)	5,000
January 7, 2021 (paid)	5,000
July 7, 2021 (paid)	15,000
July 7, 2022 (paid)	20,000
July 7, 2023 (paid)	30,000
September 6, 2024	20,000
September 6, 2025	150,000
	<u>245,000</u>

On July 24, 2024 the Company agreed to a 1-year extension for the final payment for consideration of USD\$20,000.

The third parties retain a 1% NSR royalty, which the Company may purchase for a payment of USD\$300,000.

Santa Barbara - San Francisco Project, Argentina

On July 1, 2021, the Company entered into an option agreement with government organization Instituto Provincial de Exploraciones y Explotaciones Mineras de la Provincia de San Juan, Argentina (IPEEM) to acquire the right to explore and exploit certain claims known as the Santa Barbara Project, Argentina. The Company can maintain the right to explore during an initial 5-year exploration stage by making payments and incurring exploration expenditures as follows:

	<u>Cash Payment (USD \$)</u>	<u>Minimum Exploration Expenditures (USD \$)</u>
Upon signing (paid)	20,000	-
July 1, 2022 (completed)	-	505,000
July 1, 2023 (completed)	-	1,124,000
July 1, 2024 (completed)	-	1,124,000
July 1, 2025	-	1,124,000
July 1, 2026	-	1,223,000
	<u>20,000</u>	<u>5,100,000</u>

During the five-year exploration stage, the Company is also required to make monthly payments of US\$5,519 (US\$0.50 cents per hectare) and loan IPEEM a four-wheel-drive vehicle, which will become the property of IPEEM if the agreement terminates. During the second stage (exploitation stage) the Company is required to make monthly payments of US\$16,557 (US\$1.50 per hectare) until production starts and then a 1% to 2% royalty, with a value to be set at the time the exploitation stage commences.

TURMALINA METALS CORP.**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

(Expressed in Canadian Dollars)

FOR THE PERIOD ENDED JUNE 30, 2024

5. MINERAL PROPERTY (cont'd...)**Chanape Project, Peru**

On March 13, 2020, the Company entered into an option agreement, with third parties, to acquire a 100% interest in certain claims located in Peru, comprising the Chanape Project. The Company could acquire a 100% interest in the property by making total cash payments of US\$3,410,000 and by incurring exploration expenditures of US\$2,000,000.

During the year ended December 31, 2023 the Company elected to terminate the option agreement and consequently wrote-off acquisitions costs of \$795,528.

Colquemayo Project, Peru

On June 28, 2024, the Company entered into a definitive option agreement, with third parties, to acquire a 100% interest in certain claims located in Peru, comprising the Colquemayo Project. The Company can acquire a 100% interest in the property by making total cash payments of US\$1,585,000 and by incurring exploration expenditures of US\$6,200,000 as follows:

	Cash Payment (USD \$) *	Minimum Exploration Expenditures (USD \$)
Upon signing LOI (paid \$34,500)	25,000	-
Anniversary of TSXV Approval of transaction	60,000	200,000
First anniversary of grant of exploration permit	200,000	1,000,000
Second anniversary of grant of exploration permit	250,000	1,000,000
Third anniversary of grant of exploration permit	250,000	2,000,000
Fourth anniversary of grant of exploration permit	800,000	2,000,000
	<u>1,560,000</u>	<u>6,200,000</u>

*The Company may satisfy up to 50% of the Cash Payments by issuing the Optionor common shares in the capital of the Company.

The third parties retain a 2% NSR royalty, of which the Company may purchase 50%, (1%), of the NSR for a payment of US\$2,500,000.

TURMALINA METALS CORP.**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

(Expressed in Canadian Dollars)

FOR THE PERIOD ENDED JUNE 30, 2024

5. MINERAL PROPERTY (cont'd...)**Acquisition costs**

During the period ended June 30, 2024 and during the year ended December 31, 2023, the Company incurred acquisition costs as follows:

	San Francisco Project				Santa Barbara Project	Chanape	Colquemayo	Total
	El Tapau Project	Cerro Negro Project	Don David Project	Miranda Project		Chanape Project	Colquemayo Project	
<i>Acquisition Costs</i>								
December 31, 2022	\$ 731,904	\$ 856,224	\$ 18,777	\$ 58,245	\$ 66,475	\$ 557,208	\$ -	\$ 2,288,833
Additions	24,052	13,600	20,394	40,580	-	238,320	-	336,946
Write-off	-	-	-	-	-	(795,528)	-	(795,528)
December 31, 2023	755,956	869,824	39,171	98,825	66,475	-	-	1,830,251
Additions	181,352	204,225	47,264	-	-	-	34,500	467,341
June 30, 2024	\$ 937,308	\$ 1,074,049	\$ 86,435	\$ 98,825	\$ 66,475	\$ -	\$ 34,500	\$ 2,297,592

Exploration expenditures

During the period ended June 30, 2024, the Company incurred exploration costs as follows:

	San Francisco Project	Colquemayo Project	San Francisco Project
<i>Exploration Expenditures</i>			
Assay	\$ 69,035	\$ -	\$ 69,035
Environmental and report preparation	1,089	-	1,089
Exploration permit fees	-	270,017	270,017
Field expenditures	41,959	4,289	46,248
Geological consulting	153,465	31,060	184,525
Project administration & community relations	39,008	16,456	55,464
Project management	124,200	-	124,200
Taxes	37,331	-	37,331
	\$ 466,087	\$ 321,822	\$ 787,909

TURMALINA METALS CORP.**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

(Expressed in Canadian Dollars)

FOR THE PERIOD ENDED JUNE 30, 2024

5. MINERAL PROPERTY (cont'd...)

During the period ended June 30, 2023, the Company incurred exploration costs as follows:

<i>Exploration Expenditures</i>	San Francisco Project	Chanape Project	Total
Assay	\$ 51,278	\$ 4,832	\$ 56,110
Drilling	274,228	-	274,228
Environmental studies and report preparation	1,608	-	1,608
Field expenditures	80,189	34,359	114,548
Equipment rental	17,515	-	17,515
Geological consulting	179,091	131,933	311,024
Project administration & community relations	52,695	70,494	123,189
Project management	50,950	50,951	101,901
Taxes	88,189	22,312	110,501
Travel	-	12,885	12,885
	\$ 795,743	\$ 327,766	\$ 1,123,509

6. RELATED PARTY TRANSACTIONS

Key management personnel include those persons having authority and responsibility for planning, directing, and controlling the activities of the Company as a whole. The Company has determined that key management personnel consist of members of the Board and corporate officers, including the Company's Chief Executive Officer and Chief Financial Officer. During the period ended June 30, 2024 and 2023, the Company entered the following transactions with related parties

	2024	2023
Professional fees	\$ 41,300	\$ 40,994
Director fees	60,701	54,375
Exploration costs	124,200	101,901
Management fees	123,750	205,919
Share-based payments	237,282	-
	\$ 587,233	\$ 403,189

As at June 30, 2024 \$309,615 (December 31, 2023 - \$313,732) was included in accounts payable and accrued liabilities owing to officers and directors of the Company.

7. SHAREHOLDERS' EQUITY**Authorized**

An unlimited number of common shares without par value.

Issued share capital

On March 22, 2024, the Company completed a non-brokered private placement financing and issued a total of 21,000,000 units at a price of \$0.10 for gross proceeds of \$2,100,000. Each unit consisted of one common share and one common share purchase warrant. Each warrant entitles the holder to purchase an additional common share at an exercise price of \$0.15 for a period of two years. The Company paid finders' fees of \$118,386, paid other share issue costs of \$26,317 and issued 1,028,650 broker warrants valued at \$62,308. Each broker warrant entitles the holder to purchase a common share at an exercise price of \$0.15 for a period of two years.

TURMALINA METALS CORP.**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

(Expressed in Canadian Dollars)

FOR THE PERIOD ENDED JUNE 30, 2024

7. SHAREHOLDERS' EQUITY (cont'd...)**Issued share capital (cont'd...)**

The Company valued the broker warrants using Black-Scholes and used the following assumptions when valuing the underwriters warrants: expected volatility of 103.95%, risk free interest rate of 4.1%, life of 2 years, dividend yield of 0% and forfeiture rate of 0%. Each broker warrant entitles the holder to purchase a common share at an exercise price of \$0.45 for a period of two years.

On February 14, 2023 the Company completed a non-brokered listed issuer financing exemption financing and issued a total of 11,111,111 units at a price of \$0.45 for gross proceeds of \$5,000,000. Each unit consisted of one common share and one-half of one common share purchase warrant. Each whole warrant entitles the holder to purchase an additional common share at an exercise price of \$0.60 for a period of two years. The Company paid finders' fees of \$254,125, paid other share issuance costs of \$64,723, and issued 564,719 broker warrants valued at \$100,770. The Company valued the broker warrants using Black-Scholes and used the following assumptions when valuing the underwriters warrants: expected volatility of 85.72%, risk free interest rate of 4.17%, life of 2 years, dividend yield of 0% and forfeiture rate of 0%. Each broker warrant entitles the holder to purchase a common share at an exercise price of \$0.45 for a period of two years.

Restricted Share Units

The Company has a long-term incentive plan ("LTIP"). The restricted share units ("RSUs") granted under the LTIP entitles directors, officers or employees to common shares of the Company upon vesting, based on vesting terms determined by the Company's Board of Directors at the time of grant.

During the period ended June 30, 2024 the Company granted an aggregate of 300,000 RSUs (during the year ended December 31, 2023 – 5,400,000) which vest over a period of 2 years, with 50% vesting after 12 months and 25% vesting 18 and 24 months after grant. During the period ended June 30, 2024, the Company recognized \$358,800 (2023 - \$nil) in share-based compensation related to the RSUs. This amount was also recorded as contributed surplus on the statement of financial position.

Stock options and warrants

Stock option and warrant transactions are summarized as follows:

	Stock options		Warrants	
	Number	Weighted Average Exercise Price	Number	Weighted Average Exercise Price
Balance, December 31, 2022	6,670,000	\$ 0.71	-	\$ -
Granted	1,275,000	0.35	6,120,270	0.59
Expired/cancelled	(150,000)	0.35	-	-
Outstanding, December 31, 2023	7,795,000	0.66	6,120,270	0.59
Granted	-	-	22,028,650	0.15
Outstanding, June 30, 2024	7,795,000	\$ 0.66	28,148,920	\$ 0.24
Exercisable, June 30, 2024	7,626,250	\$ 0.67	28,148,920	\$ 0.24

TURMALINA METALS CORP.**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

(Expressed in Canadian Dollars)

FOR THE PERIOD ENDED JUNE 30, 2024

7. SHAREHOLDERS' EQUITY (cont'd...)**Stock options and warrants (cont'd...)**

The following stock options and warrants were outstanding as at June 30, 2024:

	Number	Exercise price	Expiry date	Remaining Life (years)
Stock Options				
	2,425,000	\$ 0.50	August 9, 2024	0.11
	1,645,000	1.30	June 24, 2025	0.98
	900,000	0.91	July 7, 2026	2.02
	1,550,000	0.35	August 11, 2027	3.12
	50,000	0.35	March 2, 2028	3.67
	1,225,000	0.35	October 11, 2028	4.28
Warrants				
	5,555,551	0.60	February 14, 2025	0.63
	21,000,000	0.15	March 22, 2026	1.73
Broker Warrants				
	564,719	0.45	February 14, 2025	0.63
	1,028,650	0.15	March 22, 2026	1.73

Share-based payments

The Company has a stock option plan under which it is authorized to grant options to executive officers and directors, employees and consultants enabling them to acquire up to 10% of the issued and outstanding common stock of the Company. Under the plan, the exercise price of each option equals the market price of the Company's stock, less applicable discount, as calculated on the date of grant. The options can be granted for a maximum term of 10 years with vesting determined by the board of directors.

During the period ended June 30, 2024, the Company granted nil (2023 – 50,000) options with a weighted average fair value of \$nil (2023 - \$0.11) per option to directors, officers, employees, and consultants of the Company. Total share-based payments recognized in the statement of loss and comprehensive loss for six month period ended June 30, 2024 was \$10,695 (2023 - \$15,885) for incentive options granted and vested. This amount was also recorded as contributed surplus on the statement of financial position.

The following weighted average assumptions were used for the valuation of stock options:

	2024	2023
Risk-free interest rate	-	3.66%
Expected life of options	-	5 years
Annualized volatility	-	93.74%
Dividend rate	-	0.00%
Forfeiture rate	-	0.00%

TURMALINA METALS CORP.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

(Expressed in Canadian Dollars)

FOR THE PERIOD ENDED JUNE 30, 2024

8. FINANCIAL AND CAPITAL RISK MANAGEMENT

Financial assets and liabilities are classified in the fair value hierarchy according to the lowest level of input that is significant to the fair value measurement. Assessment of the significance of a particular input to the fair value measurement requires judgement and may affect placement within the fair value hierarchy levels. The hierarchy is as follows:

- Level 1: quoted prices (unadjusted) 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).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The carrying value of cash, receivables and accounts payable and accrued liabilities approximates fair value due to the short-term nature of the financial instruments.

Risk management

The Company is exposed to varying degrees to a variety of financial instrument related risks:

Credit risk

Credit risk is the risk of an unexpected loss if a customer or third party to a financial instrument fails to meet its contractual obligations.

The Company's cash is held at a large Canadian financial institution in interest bearing accounts. The Company has no investment in asset backed commercial paper.

The Company's receivables consist of goods and services tax receivable from the government of Canada.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due.

The Company manages liquidity risk through its capital management as outlined below. Accounts payable and accrued liabilities are due within one year.

Market risk

Market risk is the risk of loss that may arise from changes in market factors such as interest rates, foreign exchange rates, and commodity and equity prices.

a) Interest rate risk

The Company's exposure to interest rate risk arises from the interest rate impact on cash. The Company's practice has been to invest cash at floating rates of interest, in order to maintain liquidity, while achieving a satisfactory return for shareholders. There is minimal risk that the Company would recognize any loss as a result of a decrease in the fair value of any guaranteed bank investment certificates included in cash as they are generally held with large financial institutions. During the period ended June 30, 2024, the Company was not exposed to significant interest rate risk.

TURMALINA METALS CORP.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

(Expressed in Canadian Dollars)

FOR THE PERIOD ENDED JUNE 30, 2024

8. FINANCIAL AND CAPITAL RISK MANAGEMENT (cont'd...)

b) Foreign currency risk

The Company is subject to foreign currency risk on financial instruments denominated in currencies other than the Canadian Dollar. The Company is exposed to foreign currency risk on fluctuations related to cash, receivables and prepaid expenses, and accounts payable and accrued liabilities that are denominated in the United States dollar, the Argentine Peso or the Peruvian Sol. Management believes the foreign exchange risk derived from currency conversions is not significant and therefore does not hedge its foreign exchange risk. As these exchange rates fluctuate against the Canadian Dollar, the Company will experience foreign exchange gains and losses.

c) Price risk

The Company is exposed to price risk with respect to commodity prices. The Company closely monitors commodity prices to determine the appropriate course of action to be taken by the Company.

Capital management

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to pursue acquisition, exploration and evaluation of mineral properties and to maintain a flexible capital structure which optimizes the costs of capital at an acceptable risk. In the management of capital, the Company includes its components of shareholders' equity.

The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may attempt to issue new shares, issue debt, acquire or dispose of assets or adjust the amount of cash.

The Company currently is not subject to externally imposed capital requirements. There were no changes in the Company's approach to capital management for the period ended June 30, 2024.

9. SEGMENT INFORMATION

The Company operates in one reportable operating segment, being the acquisition, exploration, and evaluation of resource properties in multiple geographical location, refer to Note 5.