



IberAmerican Lithium Corp.

(Formerly 1317198 B.C. Ltd.)

Condensed Interim Consolidated Financial Statements

For the three and nine month periods ended September 30, 2024 and 2023

(Expressed in Canadian dollars)

Notice of no auditor review of unaudited condensed interim financial statements

Under National Instrument 51-102, Part 4, subsubsection 4.3(3)(a), if an auditor has not performed a review of the interim financial statements, they must be accompanied by a notice indicating that the financial statements have not been reviewed by an auditor.

The accompanying condensed interim consolidated financial statements of the Company have been prepared by and are the responsibility of the Company's management. The Company's independent auditor has not performed an audit or review of these condensed interim consolidated financial statements in accordance with standards established by the Canadian Institute of Chartered Professional Accountants.

IberAmerican Lithium Corp. (Formerly 1317198 B.C. Ltd.)

Condensed Interim Consolidated Statements of Financial Position
(expressed in Canadian dollars)

As at		September 30, 2024	December 31, 2023
	Notes	\$	\$
Assets			
Current assets:			
Cash and cash equivalents		57,605	3,419,835
Prepaid expenses	7	10,945	639,382
Sales tax recoverable		400,201	208,578
Total current assets		472,637	4,267,795
Non-current assets:			
Equipment	8	67,230	76,795
Strategic Minerals Promissory Note	1	1,574,528	-
Total assets		2,114,394	4,344,590
Liabilities and Shareholders' Equity (Deficiency)			
Current liabilities:			
Trade and other payables	14	1,868,424	349,808
Employee benefit obligations - Restricted stock unit liabilities	11 (d)	103,973	96,785
Total current liabilities		1,972,396	446,593
Non-current liabilities:			
Employee benefit obligations - Restricted stock unit liabilities	11 (d)	33,653	80,479
Total liabilities		2,006,049	527,072
Shareholders' equity (deficiency):			
Share capital	11 (a)(b)	10,422,565	10,422,565
Warrants	11 (c)	1,696,820	1,696,820
Contributed surplus	11 (d)	568,800	171,419
Accumulated deficit		(12,579,840)	(8,473,286)
Total shareholders' deficiency attributable to equity holders of the Company		108,344	3,817,518
Total shareholders' equity (deficiency)		108,344	3,817,518
Total liabilities and shareholders' equity (deficiency)		2,114,394	4,344,590

Nature of Business and Continuing Operations (Note 1)
Commitments and Contingencies (Note 15)

Authorized and approved on behalf of the Board of Directors:

"Eugene McBurney"
Director

"David Young"
Director

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

IberAmerican Lithium Corp. (Formerly 1317198 B.C. Ltd.)
Condensed Interim Consolidated Statements of Operations and Comprehensive Loss
 (expressed in Canadian dollars)

Expenses	Notes	Three months ended September 30,		Nine months ended September 30,	
		2024	2023	2024	2023
		\$	\$	\$	\$
Exploration and evaluation expenses	9	120,000	184,398	360,000	242,258
Depreciation and amortization expense	8	4,634	-	11,923	-
Salaries and expenses	10	193,229	175,377	622,026	175,377
Stock-based compensation	10 and 11(d)	(71,281)	62,859	357,742	62,859
Directors fees	10	7,500	47,500	37,500	47,500
Professional services		450,783	536,719	1,290,896	905,471
Banking and similar services		1,853		5,918	-
General and administrative expenses		2,916	14,787	27,175	31,900
Insurance		9,600	38,403	35,744	43,630
Regulatory and transfer agent fees		9,841	135,712	37,935	172,526
Investor relations and marketing		163,040	1,224,405	1,152,206	1,273,115
Travel expenses		21,086	-	268,898	-
Other services		7,217	2,500	23,007	7,542
Total expenses		920,417	2,422,660	4,230,968	2,962,177
Other expense (income)					
Finance income		(30,545)	(6,743)	(127,400)	(6,743)
Loss on foreign exchange		1,101	3,955	2,987	10,047
Transaction costs related to the acquisition	5	-	1,116,019	-	1,116,019
Total other expense		(29,444)	1,113,231	(124,413)	1,119,323
Net loss and comprehensive loss		(890,973)	(3,535,892)	(4,106,555)	(4,081,500)
Net loss and comprehensive loss attributable to:					
Equity holders of the Company		(890,973)	(3,510,832)	(4,106,555)	(4,024,647)
Non-controlling interest		-	(25,060)	-	(56,854)
		(890,973)	(3,535,892)	(4,106,555)	(4,081,501)
Basic and diluted loss per share	12	(0.034)	(0.042)	(0.038)	(0.070)
Weighted average number of shares outstanding - Basic and diluted	12	109,500,488	84,306,175	109,500,488	58,495,221

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

IberAmerican Lithium Corp. (Formerly 1317198 B.C. Ltd.)

Condensed Interim Consolidated Statements of Shareholders' Equity (Deficiency)
(expressed in Canadian dollars)

		Common Shares	Share Capital	Warrants	Contributed surplus	Deficit	Non controlling interest	Total
		#	\$	\$	\$	\$	\$	\$
Balance at December 31, 2022	Notes	53,000,100	1,331,842			(2,065,279)	1,301	(732,136)
Private Placement - Tranche 2	11	14,550,000	1,455,000	-	-	-	-	1,455,000
Private Placement - Tranche 3	11	450,000	45,000	-	-	-	-	45,000
Less share issue cost		-	(36,506)	-	-	-	-	(36,506)
Repurchase of incorporation shares	11	(100)	(1)	-	-	-	-	(1)
Concurrent Financing	5	36,450,488	9,112,622	-	-	-	-	9,112,622
Concurrent Financing issuance cost		-	(650,350)	(199,795)	-	-	-	(850,145)
Warrants issued	5	-	(1,629,337)	1,629,337	-	-	-	-
Broker warrants	5	-	(267,278)	267,278	-	-	-	-
Stock based compensation	11	-	-	-	171,419	-	-	171,419
Issued to acquire 131	11	5,000,000	1,050,000	-	-	-	-	1,050,000
Private Placement - 131 Financing	11	50,000	12,500	-	-	-	-	12,500
Less share issue cost		-	(927)	-	-	-	-	(927)
Non-controlling interest acquisition	6	-	-	-	-	(1,055,553)	55,553	(1,000,000)
Total loss for the year		-	-	-	-	(5,352,454)	(56,854)	(5,409,308)
Balance at December 31, 2023		109,500,488	10,422,565	1,696,820	171,419	(8,473,286)	-	3,817,518
Stock based compensation	11	-	-	-	397,382	-	-	397,382
Total loss for the period		-	-	-	-	(4,106,555)	-	(4,106,556)
Balance at September 30, 2024		109,500,488	10,422,565	1,696,820	568,800	(12,579,841)	-	108,344

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

IberAmerican Lithium Corp. (Formerly 1317198 B.C. Ltd.)
Condensed Interim Consolidated Statements of Cash Flows
(expressed in Canadian dollars)

		Three months ended September 30, 2024	Nine months ended September 30, 2024	September 30, 2023
	Notes	\$	\$	\$
Operating activities				
Net loss		(890,973)	(4,106,555)	(4,081,501)
Adjustments for non-cash items and other adjustments:				
Depreciation and amortization	8	3,673	10,962	6,763
Stock-based compensation	11(d)	(71,281)	357,742	62,859
Unrealized foreign exchange		5,038	10,459	-
Transaction cost related to acquisition	5	-	-	1,116,019
Net change in non-cash working capital:				
Prepaid expenses		156,421	624,195	(830,707)
Sales tax recoverable		(93,846)	(198,506)	-
Other current assets		-	-	(31,168)
Trade and other payables		805,867	1,521,768	144,847
Net cash flows used in operating activities		(85,100)	(1,779,935)	(3,612,887)
Investing activities				
Additions to equipment	8	-	(2,108)	(80,844)
Exploration and evaluation		194	(5,659)	-
Additional Lithium Project participation acquisition	6	-	-	(1,000,000)
Promissory note payable	6	-	-	(1,000,000)
Strategic Minerals Promissory Note	1	(30,545)	(1,574,528)	-
Net cash flows used in investing activities		(30,352)	(1,582,295)	(2,080,844)
Financing activities				
Proceeds from Private Placements	5, 11	-	-	10,612,621
Cash acquired on 131 Amalgamation	5	-	-	11,573
Share issue costs		-	-	(840,501)
Net cash flows provided by financing activities		-	-	9,783,693
Net increase in cash during the year		(115,452)	(3,362,230)	4,089,962
Foreign exchange impact on cash held in foreign currencies		5,038	10,459	-
Cash and cash equivalents, beginning of the year		173,057	3,419,835	304,338
Cash and cash equivalents, end of the year		57,605	57,605	4,394,300

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Notes to the Condensed Interim Consolidated Financial Statements

For the three and nine month periods ended September 30, 2024 and 2023

(Expressed in Canadian dollars)

1. NATURE OF BUSINESS AND CONTINUING OPERATIONS

IberAmerican Lithium Corp. (the "Company" or "IberAmerican"), formerly 1317198 B.C. Ltd. ("131"), was incorporated under the Business Corporations Act of British Columbia on July 27, 2021.

On September 1, 2023, 1317198 B.C. Ltd. completed a reverse takeover transaction (the "RTO" or "Transaction") with IberAmerican Lithium Inc. ("ILI"), a privately held mineral exploration company, by way of a "three-cornered" amalgamation (Note 5). The issuer resulting from the Transaction carries on the business of ILI under the name "IberAmerican Lithium Corp."

The Company's head office and registered office is located at 365 Bay Street, Suite 800, Toronto, Ontario, M5H 2V1. The Company's common shares trade on Cboe Canada Inc. ("Cboe" or the "Exchange") under the symbol "IBER". On November 23, 2023, the Company listed its common share purchase warrants ("Warrants") on Cboe under the symbol "IBER.WT.A". On December 19, 2023, the Company's common shares commenced trading on the OTCQB under the symbol "IBRLF".

The Company is engaged in the acquisition and exploration of mineral resource properties in Spain, namely its lithium exploration project beneficially owned and controlled by IberAmerican Lithium Spain, Sociedad Limitada (S.L.U.) ("IberSpain"), which consists of: (i) the investigation permit No 5186 (the "Lithium Alberta Project"); and (ii) the application for investigation permit No 5191 (the "Lithium Carlota Project" together the "Lithium Projects").

Although the Company has taken steps to verify title to the properties on which it will conduct exploration and in which it has an interest in accordance with industry standards to the current stage of exploration of such properties, these procedures do not guarantee the Company's title. Property title may be subject to government licensing, requirements, or regulations, unregistered prior agreements, unregistered claims, third-party claims and non-compliance with regulatory requirements. The Company's assets may also be subject to increases in taxes and royalties, renegotiation of contacts and political uncertainties.

The business of mining and exploring for minerals involves a high degree of risk and there can be no assurance that current exploration programs will result in profitable mining operations. The Company's continued existence is dependent upon the preservation of its interests in the underlying properties, the achievement of profitable operations, or the ability of the Company to raise additional financing, as necessary. Several factors can significantly influence the Company's ability to raise additional financing as outlined in the Management's Discussion and Analysis (MD&A). Firstly, market conditions play a crucial role; fluctuations in commodity prices can affect investor confidence and appetite for investment in the sector. Additionally, geopolitical risks such as changes in government regulations or instability in regions where the Company operates can deter potential investors. Operational challenges, such as delays in exploration activities, unexpected technical issues, or disappointing drilling results, may also impact investor sentiment. Moreover, macroeconomic factors like interest rates and overall economic stability can influence investors' willingness to invest in high-risk ventures like mineral exploration. Finally, the Company's own financial performance and track record, including its ability to effectively communicate its strategy and demonstrate progress towards its exploration goals, are critical factors that investors consider before participating in equity raises.

These unaudited condensed interim consolidated financial statements were approved and authorized for issue by the Board of Directors on November 14, 2024.

These unaudited condensed interim consolidated financial statements have been prepared on a going concern basis, which contemplates the realization of assets and settlement of liabilities in the normal course of business as they come due. The Company incurred losses of \$890,973 and \$4,106,555 for three and nine month periods ended September 30, 2024 (\$3,535,892 and \$4,081,501 for the three and

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nine months ended September 30, 2023, respectively) and has a working capital deficit of \$1,499,761 as at September 30, 2024 (December 31, 2023 - \$3,821,202).

The Company's ability to continue as a going concern is dependent upon obtaining additional financing. These condensed interim consolidated financial statements do not give effect to any adjustments which would be necessary should the Company be unable to continue as a going concern and therefore be required to realize its assets and discharge its liabilities in other than the normal course of business and at amounts different from those reflected in these condensed interim consolidated financial statements. Such adjustments could be material.

Termination of Business Combination Agreement with Strategic Minerals Europe Corp.

On March 19, 2024, the Company entered into a business combination agreement (the "Business Combination Agreement") with Strategic Minerals Europe Corp. ("Strategic Minerals") pursuant to which, among other things, the Company was to acquire all of the issued and outstanding common shares in the capital of Strategic Minerals ("Strategic Shares") (the "Proposed Transaction"). Strategic Minerals' wholly owned subsidiary, Strategic Minerals Spain, S.L.U. ("SMS"), produces, identifies, explores for, and develops mineral resource properties critical to the green economy, in Spain.

Under the terms of the Proposed Transaction, each holder of Strategic Shares was entitled to receive one common share of the Company ("Iber Share") for every seven Strategic Shares held. Upon completion of the Proposed Transaction, it was expected that Strategic Minerals would be delisted from Cboe and would apply to cease to be a reporting issuer under applicable securities laws in Canada.

The completion of the Proposed Transaction was to require the approval of the shareholders of both the Company and Strategic Minerals, and was subject to other customary closing conditions for transactions of this nature.

August 2, 2024, the Company announced that, due to prolonged obstacles, adverse capital market conditions and other uncertainties surrounding the future legal status of the mining licenses of Strategic Minerals Europe Corp., the Company was not able to complete the Proposed Transaction with SMS by the agreed upon closing deadline of July 31, 2024 and consequently terminated the Proposed Transaction.

In connection with the Proposed Transaction, on March 20, 2024, Strategic Minerals and Strategic Minerals Spain ("SMS") executed and delivered to the Company a secured demand grid promissory note in favor of the Company in the principal amount of up to \$1,800,000 as amended (the "Strategic Minerals Loan"). The note bears interest at a rate of 8% per annum and is due on demand upon or after the termination of the business combination agreement (i.e. Proposed Transaction). As at September 30, 2024, the outstanding balance of the promissory note including accrued interest was \$1,574,528. The Company is currently reviewing the recoverability of the loan and will take all necessary steps to ensure full recovery of principle and accruing interest.

Campbell Becher, a director, officer and shareholder of the Company is a director of Strategic Minerals, and two directors (Miguel de la Campa and Jaime Perez Branger) and one officer (Jaime Perez Branger) of Strategic Minerals are shareholders of the Company. The shareholdings of such individuals do not individually or in the aggregate constitute control of the Company or Strategic Minerals.

On June 3, 2024 the Company entered into a best efforts private placement financing with Cormark Securities Inc. acting as sole agent (the "Offering"). The Offering was conducted in connection with the Proposed Transaction. Pursuant to the Offering, subscription receipts were offered for sale at a price of C\$0.18 per Subscription Receipt. Upon the satisfaction of certain escrow release conditions customary for this type of transaction, each subscription receipt would, pursuant to its terms and

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pursuant to the Proposed Transaction, result in the holder thereof being issued, without payment of additional consideration or further action on the part of the holder thereof, one unit consisting of one common share and one common share purchase warrant. Each warrant entitled the holder thereof to acquire, subject to adjustment, one common share at an exercise price of C\$0.27 per share for a period of 3 years from the date on which the Escrow Release Conditions were satisfied. The Offering was cancelled in connection with the termination of the Proposed Transaction on August 2, 2024.

2. STATEMENT OF COMPLIANCE

These unaudited condensed interim consolidated financial statements of the Company and its subsidiaries have been prepared in accordance with International Accountant Standard 34, ("IAS 34"), Interim Financial Reporting. These condensed interim consolidated financial statements do not conform in all respects to the requirements of International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") for annual financial statements. Accordingly, these condensed interim consolidated financial statements should be read in conjunction with the Company's annual consolidated financial statements for the year ended December 31, 2023.

3. BASIS OF PREPARATION**Basis of consolidation**

These unaudited condensed interim consolidated financial statements comprise the financial results of the Company, including its subsidiaries as follows:

Entity	Structure	Registered	Functional Currency
IberAmerican Lithium Corp. ("IberAmerican")	Parent	Canada	Canadian dollar
IberAmerican Lithium Inc. ("ILI")	Subsidiary	Canada	Canadian dollar
IberAmerican Lithium Spain, S.L.U. ("IberSpain")	Subsidiary	Spain	Canadian dollar

All intercompany balances, transactions, income and expenses, and profits or losses have been eliminated on consolidation.

Subsidiaries are those entities which IberAmerican controls. Control exists when the Company is exposed to or has rights to the variable returns of the subsidiary and has the ability to affect those returns through its power over the subsidiary. Power is defined as existing rights that give the Company the ability to direct the relevant activities of the subsidiary. Subsidiaries are fully consolidated from the date on which control is obtained by the Company and are de-consolidated from the date that control ceases.

Basis of measurement

These condensed interim consolidated financial statements have been prepared under the historical cost basis. In addition, these condensed interim consolidated financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

Functional and presentation currency

These condensed interim consolidated financial statements are presented in Canadian dollars ("CAD" or "\$"). The subsidiaries of the Company determine their own functional currency based on the primary

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economic environment in which the subsidiary operates and it is disclosed under the basis of consolidation above.

Transactions and balances

Foreign currency transactions are translated into the functional currency of the entity using the exchange rates prevailing at the dates of the transactions or revaluation where items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in the condensed interim consolidated statements of operations and comprehensive loss.

Use of estimates and judgments

The preparation of these condensed interim consolidated financial statements under IFRS requires management to make certain estimates, judgments and assumptions about future events that affect the amounts reported in the condensed interim consolidated financial statements and related notes to the financial statements. Although these estimates are based on management's best knowledge of the amount, event or actions, actual results may differ from those estimates and these differences could be material.

The areas which require management to make significant judgements, estimates and assumptions in determining carrying values are the same as those described in the Company's most recent annual consolidated financial statements, which can be found on the Company's SEDAR+ profile at www.sedarplus.ca.

4. SIGNIFICANT ACCOUNTING POLICIES

These unaudited condensed interim consolidated financial statements follow the same accounting policies and methods of application as the Company's most recent annual consolidated financial statements. Accordingly, they should be read in conjunction with the Company's most recent annual consolidated financial statements as at and for the year ended December 31, 2023.

New and amended IFRS standards not yet effective

A number of new standards are not yet effective for periods commencing January 1, 2024, and have not been applied in preparing these financial statements. Many are not applicable to, or do not have a significant impact on the Company and have therefore been excluded. The following have not been adopted and are being evaluated to determine their impact on the Company's consolidated financial statements:

IAS 1 – Presentation of Financial Statements (“IAS 1”) was amended in January 2020 to provide a more general approach to the classification of liabilities under IAS 1 based on the contractual arrangements in place at the reporting date. The amendments clarify that the classification of liabilities as current or non-current is based solely on a company's right to defer settlement at the reporting date. The right needs to be unconditional and must have substance. The amendments also clarify that the transfer of a company's own equity instruments is regarded as settlement of a liability, unless it results from the exercise of a conversion option meeting the definition of an equity instrument. In February 2021, the IASB issued 'Disclosure of Accounting Policies' with amendments that are intended to help preparers in deciding which accounting policies to disclose in their financial statements. The amendments are effective for annual periods beginning on or after January 1, 2024.

5. REVERSE TAKEOVER TRANSACTION

Reverse Takeover of 131

On September 1, 2023 the Company completed the RTO with ILI in accordance with the terms of an amended and restated business combination agreement dated August 18, 2023 (the "Business Combination Agreement"). Pursuant to the Business Combination Agreement, ILI and 1000513020 Ontario Inc. ("131 Subco") (a wholly-owned subsidiary of IberAmerican incorporated under the laws of the Province of Ontario for the purpose of completing the RTO Transaction) amalgamated in accordance with the provisions of the *Business Corporations Act* (Ontario) (the "Amalgamation") and continued operating under the name "IberAmerican Lithium Inc." ("Amalco").

In connection with the Transaction: (i) holders of the 104,450,488 issued and outstanding common shares of ILI (the "ILI Shares") received one Iber Share for each ILI Share held; (ii) as consideration for the issuance of the Iber Shares to effect the Amalgamation, the Company received one common share of Amalco for each Iber Share issued to holders of ILI Shares; and (iii) each common share in 131 Subco issued to the Company on incorporation was cancelled.

Additionally, the Company issued approximately 18,225,244 replacement common share purchase warrants (the "Warrants") to existing holders of common share purchase warrants in ILI ("ILI Warrants") on a 1:1 basis. Each Warrant is exercisable for one Iber Share at an exercise price of \$0.40 per share until September 1, 2026.

Prior to the Amalgamation, the Company (then 131) split its shares ("131 Shares") on a 1.29032258065:1 basis (the "Stock Split") resulting in a total of 5,000,000 131 Shares being held by existing 131 shareholders at a price of \$0.21 per 131 Share.

Prior to the Amalgamation, the Company (then 131) completed non-brokered private placement of 50,000 131 Shares at a price of \$0.25 per 131 Share. The amount paid for regulatory and legal costs was \$927.

The Amalgamation does not constitute a business combination since the Company (then 131) does not meet the definition of a business under IFRS 3. As a result, the Amalgamation is accounted for in accordance with IFRS 2 with ILI being identified as the acquirer and 131 being treated as the accounting acquiree. The Amalgamation was measured at the fair value of the common shares issued to the 131 historical shareholders.

The fair values of the identifiable assets and liabilities of 131 acquired on the acquisition date were as follows:

Fair value of 5,000,000 shares issued at \$0.21 per share	\$1,050,000
Cash payment	13,791
Total purchase consideration	\$1,063,791
Identifiable assets acquired (liabilities assumed)	
Other receivable	3,541
Trade and other payables	(3,000)
Net assets acquired	\$541
Transaction costs related to the acquisition	\$1,063,250
Total allocation of purchase price	\$1,063,791

Concurrent Financing

On August 24, 2023, ILI completed a concurrent private placement of 36,450,488 subscription receipts ("ILI Subscription Receipts") at a price of \$0.25 per ILI Subscription Receipt (the "Concurrent Financing") for aggregate gross proceeds of \$9,112,622. Each ILI Subscription Receipt comprised one ILI Share and one-half of one ILI Warrant. Each ILI Warrant was replaced with a Warrant and is exercisable for

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one Iber Share at an exercise price of \$0.40 per share until September 1, 2026. A value of \$1,629,337 has been assigned to the Warrants using the Black-Sholes model with the following assumptions: expected dividend yield of 0%, expected volatility of 88% based on representative entities, a risk-free rate of 4.81%, share price of \$0.21, and an expected life of 3 years.

ILI paid to the agents a 6% cash commission on the brokered portion of the Concurrent Financing, and additionally issued to the agents an aggregate of 1,838,676 ILI broker warrants (the "ILI Broker Warrants"), representing 6.0% of the aggregate number of ILI Subscription Receipts issued pursuant to the brokered portion of the Concurrent Financing. Upon completion of the Amalgamation, each ILI Broker Warrant was exchanged for one Company broker warrant (a "Broker Warrant") exercisable until September 1, 2026 to purchase a unit of the Company, comprising one Iber Share and one-half of one Warrant, at a purchase price equal to \$0.25 per Broker Warrant. A value of \$267,278 has been assigned to the Broker Warrants using the Black-Sholes model with the following assumptions: expected dividend yield of 0%, expected volatility of 88% based on representative entities, a risk-free rate of 4.44%, unit price of \$0.25, and an expected life of 3 years.

6. EXPLORATION AND EVALUATION PROPERTIES*The Lithium Alberta Project and the Lithium Carlota Project*

On December 28, 2022, Strategic Minerals, Strategic Minerals Spain, S.L.U. ("SMS") and the Company entered into a definitive option purchase agreement (the "Purchase Agreement") pursuant to which the Company was granted the exclusive option by Strategic Minerals to purchase 70% of the issued and outstanding common shares of IberSpain (the "Option Shares"), thus acquiring beneficial title to the Lithium Projects (the "Lithium Option").

The Lithium Option was exercised by ILI on December 28, 2022. As a condition precedent to the exercise of the Lithium Option, ILI paid Strategic Minerals \$1,000,000 on December 28, 2022 and delivered a non-interest bearing promissory note in the amount of \$1,000,000, which was due, payable and paid on February 15, 2023.

Upon the exercise of the Lithium Option, Strategic Minerals, SMS, ILI and IberSpain entered into a joint venture agreement dated December 28, 2022 in respect of the exploration, development, exploitation and operation of the Lithium Projects (the "JV Agreement"). Pursuant to the JV Agreement, SMS agreed and Strategic Minerals acknowledged that until the transfer of title to the Lithium Projects was legally effected, SMS shall hold the Lithium Projects (including the permits underlying each of the Lithium Projects) in trust on behalf of and for the sole benefit of IberSpain. With the approval of the 5186 Permit extension, the Company anticipates obtaining final approvals from the governing authority to affect the transfer of the IberSpain Shares directly to the Company in the following months.

The Company determined that it obtained control over IberSpain on December 28, 2022, the acquisition date. Strategic Minerals's 30% interest was recorded as a non-controlling interest. The fair value of IberSpain was determined to be \$2,857,143 based on the price paid by the Company for its interest, as follows:

Purchase Payments	\$2,000,000 (70% interest)
Non-controlling interest	<u>857,143 (30% interest)</u>
Total value of IberSpain	2,857,143

For the purchase price allocation, a cash balance of \$4,337 was identified and the balance of the purchase price (\$2,852,806) was recorded as the project acquisition expense.

At the time of the acquisition, a director of Strategic Minerals was a director, officer and shareholder of ILI and one officer and one director of Strategic Minerals were shareholders of ILI. The shareholdings of such individuals did not individually or in the aggregate constitute control of ILI.

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Under the Lithium Option, 70% of the outstanding shares of IberSpain would be held by ILI and 30% by Strategic Minerals, where IberSpain was the owner of the Lithium Projects and ILI would serve as the operator. On September 28, 2023, ILI acquired the remaining 30% of the outstanding shares of IberSpain from Strategic Minerals for \$1,000,000 paid in cash, following which ILI now beneficially holds 100% of IberSpain (the "IberSpain Shares").

Pursuant to the terms of the Purchase Agreements to acquire 100% of the shares of IberSpain, the parties agreed that notwithstanding the exercise of the Lithium Option on December 28, 2022 and the acquisition on September 28, 2023, Strategic Minerals and SMS were to: (i) hold the IberSpain Shares in trust for, and on behalf of the Company until the transfer of IberSpain Shares has been approved by the governing authority; and (ii) hold the Lithium Projects in trust for and on behalf of IberSpain until the Lithium Projects have been legally transferred to IberSpain.

As at September 30, 2024, SMS continues to be the legal holder of the exploration rights for Lithium and Tin on the Lithium Alberta Project, pursuant to an exploration permit granted by the Galician Government. The permit is registered as ALBERTA II, Investigative Permit number OU/C/05186 (the "5186 Permit"). The exploration term for the permit has been extended several times. On October 7, 2021, the Xunta de Galicia, through the Council of Economy and Industry issued a certification confirming that SMS was the current holder of the 5186 Permit and that an additional extension request was under review by the Galician Government. The extension request was approved by the Galician Government on October 2, 2023.

The fair value of IberSpain at the initial acquisition date (December 28, 2023) was \$2,857,143 and the value of the 30% non-controlling interest held by Strategic Minerals was \$857,143. For the period from January 1, 2023 to September 28, 2023, \$56,854 had been recognized as net loss attributable to non-controlling interest and on September 28, 2023, the non-controlling interest was acquired by the Company.

	IberAmerican Shareholders' Equity	Non controlling interest	Total shareholders' equity (deficiency)
	\$	\$	\$
Initial value of IberSpain	2,000,000	857,143	2,857,143
Net loss for the year 2022	(1,996,964)	(855,842)	(2,852,806)
Balance at December 31, 2022	3,036	1,301	4,337
Accumulated loss as at September 28, 2023	(132,659)	(56,854)	(189,513)
Non-controlling interest acquisition by the Company	(1,055,553)	55,553	(1,000,000)
Balance at September 28, 2023	(1,185,176)	-	(1,185,176)

7. PREPAID EXPENSES

In August 2023, the Company engaged an entity for financial publishing and digital marketing services. They will provide its services for one year and the Company paid in advance an advertising marketing fee of \$676,000 (US\$500,000), which was recorded as prepaid expenses and will be amortized during the 12-month term of the contract (\$56,333 per month). The balance was fully amortized in August 2024.

In August 2023, the Company engaged an entity to assist the Company with management consulting and marketing insights. The entity will provide its services for one year for a fee paid in advance of \$202,800 (US\$150,000), and a 6-month consultant fee of \$12,168 (US\$9,000) which together were recorded as prepaid expenses to be amortized over the 12-month term of service (\$16,900 monthly) and 6-month term service (\$2,028 monthly), respectively. The consulting fee was fully amortized in February 2024 and the marketing insight services fee was fully amortized in August 2024.

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Other prepaid expenses include an annual subscription to Whistle-blower ethics and compliance reporting services, which was fully amortized in August 2024 and insurance fees which were fully amortized in September 2024. The remaining balance at September 30, 2024 is \$10,945 and relates to a legal fee retainer.

8. EQUIPMENT

As at September 30, 2024, a summary of the net book value is as follows:

<i>Figures in Canadian dollars</i>	Transportation equipment	Field equipment	Office Equipment	Computer equipment	Total equipment
Historical Cost					
As at December 31, 2022	\$ -	\$ -	\$ -	\$ -	\$ -
Additions	\$ 80,268	\$ 847	\$ 1,310	\$ 4,820	\$ 87,245
At December 31, 2023	\$ 80,268	\$ 847	\$ 1,310	\$ 4,820	\$ 87,245
Additions / (disposals)	\$ 292	\$ (158)	\$ (667)	\$ 1,896	\$ 1,363
At September 30, 2024	\$ 80,560	\$ 689	\$ 643	\$ 6,716	\$ 88,607
Accumulated depreciation					
As at December 31, 2022	\$ -	\$ -	\$ -	\$ -	\$ -
Additions	\$ 9,921	\$ 151	\$ 14	\$ 364	\$ 10,450
At December 31, 2023	\$ 9,921	\$ 151	\$ 14	\$ 364	\$ 10,450
Additions	\$ 9,685	\$ 107	\$ (14)	\$ 1,150	\$ 10,928
At September 30, 2024	\$ 19,606	\$ 258	\$ -	\$ 1,514	\$ 21,378
Net book value					
As at December 31, 2022	\$ -	\$ -	\$ -	\$ -	\$ -
At December 31, 2023	\$ 70,347	\$ 696	\$ 1,296	\$ 4,456	\$ 76,795
At September 30, 2024	\$ 60,954	\$ 431	\$ 643	\$ 5,202	\$ 67,230

9. EXPLORATION AND EVALUATION EXPENSE

As at September 30, 2024, a summary of the Exploration and Evaluation Expense is as follows:

	Three months ended		Nine months ended	
	September 30, 2024	September 30, 2023	September 30, 2024	September 30, 2023
For the six months ended June 30,				
Exploration and Evaluation Expenses	\$	\$	\$	\$
Exploration professional services	120,000	174,543	360,000	232,403
Depreciation and amortization expense	4,634	6,892	11,923	6,892
Supplies and consumables used	0	2,964	-	2,964
Total exploration and evaluation expenses	124,634	184,398	371,923	242,258

10. RELATED PARTIES

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Related parties may be individuals or corporate entities. A transaction is considered to be a related party transaction when there is a transfer of resources or obligations between related parties.

The Company has identified its directors and certain senior officers as its key management personnel.

During the three and nine month periods ended September 30, 2024 and 2023, the compensation for directors and key management of the Company was as follows:

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Key Management Compensation	Three months ended September 30, 2024	Three months ended September 30, 2023	Nine months ended September 30, 2024	Nine months ended September 30, 2023
	\$	\$	\$	\$
Management salaries	104,166	113,000	312,833	113,000
Director fees	7,500	47,500	37,500	47,500
Exploration professional services	120,000	144,000	360,000	144,000
Stock-based compensation	-	62,859	253,107	62,859
Total	231,666	367,359	963,440	367,359

Key executives and directors commenced with accrual of a portion of their monthly salaries and fees in an effort to reduce cash costs during the period. As at September 30, 2024, accrued salaries total \$65,000, accrued director fees total \$15,000 and accrued professional services payable to directors and relating to the Company's exploration program totals \$320,000.

See additional related party transactions with Strategic Minerals in Notes 1 and 6.

11. SHARE CAPITAL

a) Authorized

An unlimited amount of common shares with no par value.

b) Shares - Issued and outstanding

	For the nine months ended September 30, 2024		For the year ended December 31, 2023		For the period ended December 31, 2022	
	Number of Shares (#)	Value (\$)	Number of Shares (#)	Value (\$)	Number of Shares (#)	Value (\$)
Balance, beginning of period	109,500,488	10,422,565	53,000,100	1,331,842	-	-
Issued pursuant to private placement financing (tranche 2)	-	-	14,550,000	1,455,000	-	-
Issued pursuant to private placement financing (tranche 3)	-	-	450,000	45,000	-	-
Shares purchased for cancellation	-	-	(100)	(1)	-	-
Issued pursuant to Subscription Receipt Financing (Note 5)	-	-	36,450,488	7,483,285	-	-
Issued pursuant to 131 Amalgamation (Note 5)	-	-	5,000,000	1,050,000	-	-
Issued pursuant to 131 Amalgamation (Note 5)	-	-	50,000	12,500	-	-
Share issue costs	-	-	-	(955,061)	-	(8,159)
Balance, end of period	109,500,488	10,422,565	109,500,488	10,422,565	53,000,100	1,331,842

On February 13, 2023, ILI closed the second tranche of a private placement for gross proceeds of \$1,455,000 through issuance of an aggregate of 14,550,000 shares at a price per share of \$0.10. The amount paid for regulatory and legal costs was \$28,009.

On March 1, 2023, ILI closed the third tranche of a private placement for gross proceeds of \$45,000 through issuance of an aggregate of 450,000 shares at a price per share of \$0.10. The amount paid for regulatory and legal costs was \$8,497.

On incorporation, 100 common shares of ILI were issued at a price per share of \$0.01. These shares were purchased for cancellation on April 18, 2023.

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As of September 30, 2024, the Company had 109,500,488 common shares outstanding (December 31, 2023 – 109,500,488).

c) Warrants

As at September 30, 2024, the following warrants were outstanding:

Warrants	Grant Date	Expiry Date	Outstanding (#)	Exercise Price (\$)	Remaining Life (years)
Resulting Issuer Warrants	September 1, 2023	September 1, 2026	18,225,244	0.40	1.92
Resulting Issuer Broker Warrant*	September 1, 2023	September 1, 2026	1,838,676	0.25	1.92
			20,063,920	0.39	1.92

* Each is exercisable into one unit of the Company, which is comprised of one Iber Share and one-half of one Warrant of which the whole Warrant is exercisable at \$0.40 until September 1, 2026.

d) Stock-based compensation

IberAmerican adopted the omnibus equity incentive compensation plan (the “Compensation Plan”) on August 31, 2023. The awards available under the Compensation Plan include stock options, deferred share units, RSUs (as defined herein), performance share units and share appreciation rights (collectively, the “Awards”). Awards can be granted directors, officers and consultants of the Company.

Stock Options

On September 12, 2023, the Company granted a total of 3,950,000 stock options to directors, advisors and management of the Company. From those, 1,500,000 were granted to directors of the Company. Each stock option entitles the holder to acquire one common share of the Company at an exercise price of \$0.25. All of the options vested on September 12, 2024 and will expire on the fifth anniversary of issuance.

The stock option fair value of \$568,800 was determined using a Black-Scholes pricing model which included an expected volatility of 87.95% based on the volatility of comparable companies, a risk-free interest rate of 4.81%, share price of \$0.21, an estimated life of 5 years and an expected dividend yield of 0%. As at September 30, 2024 a total of \$632,993 has been recognized as stock-based compensation expense.

The table summarizes the stock options activity as at September 30, 2024.

	Number of Options	Weighted Average Exercise Price
Balance – December 31, 2021 and 2022	-	\$0.00
Granted - September 2023	3,950,000	0.25
Balance – December 31, 2023 and September 30, 2024	3,950,000	\$0.25

The table summarizes information about the stock options outstanding as at September 30, 2024.

Grant date	Expiry Date	Issued Number of Options	Exercisable Number of Options	Exercise Price (\$)	Remaining life (years)
September 12, 2023	September 12, 2028	3,950,000	3,950,000	0.25	3.95

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Restricted Stock Units (“RSUs”)

RSUs are awarded at the discretion of the Board of Directors to reward eligible participants for their services rendered to the Company, with each unit representing the right to receive payment equivalent to the value of one Iber Share, subject to specified conditions and restrictions. These conditions often include continued employment or engagement with the Company or its subsidiaries. The RSUs award is not subject to the attainment of performance objectives.

Unless otherwise set forth in the applicable RSU agreement, RSUs vest over three years in equal instalments. Upon vesting, participants have the option to receive settlement in the form of Iber Shares, their cash equivalent, or a combination thereof. The Compensation Plan aims to align the interests of participants with the long-term performance and success of the Company while providing a mechanism for incentivizing and retaining key talent.

On September 12, 2023, the Company granted 5,500,000 RSUs to officers and directors of the Company vesting over three years in equal instalments. As the RSUs may be settled in cash to an amount equal to that which would be settled in equity, the fair value of \$1,155,000 was determined at a share price of \$0.21 per RSU on the grant date. As at September 30, 2024, the fair value of \$220,000 was determined at the latest closing share price of \$0.04 (September 30, 2024) resulting in a recovery of share based compensation expense of \$71,281 for the three months ended September 30, 2024.

	Number of RSU's	Estimated Fair Value per RSU	Estimated Fair Value (\$)
Balance – December 31, 2021 and 2022	-	\$0.00	\$ -
Granted - September 2023	5,500,000	0.21	1,155,000
Balance – December 31, 2023 and September 30, 2024	5,500,000	\$0.04	\$ 220,000

As at September 30, 2024 a total of \$137,626 has been recognized as stock-based compensation expense and recognized as a liability.

The table summarizes information about the RSU's outstanding as at September 30, 2024.

Grant date	Vesting Date	Number of RSU's	Estimated Fair Value per RSU	Estimated Fair Value (\$)	Time to vest (years)
September 12, 2023	September 11, 2024	1,833,333	\$ 0.04	\$ 73,333	Vested
September 12, 2023	September 11, 2025	1,833,333	\$ 0.04	\$ 73,333	0.95
September 12, 2023	September 11, 2026	1,833,334	\$ 0.04	\$ 73,333	1.95
		5,500,000	\$ 0.04	\$ 220,000	1.45

12. BASIC AND DILUTED LOSS PER SHARE

As at September 30, 2024, the outstanding 20,063,920 warrants, exercisable into 20,983,258 common shares, 3,950,000 stock options and 5,500,000 RSUs were excluded from the computation of diluted loss per share, since the effect of conversion of these warrants, stock options and RSUs would have been anti-dilutive.

13. MANAGEMENT OF CAPITAL

Capital is comprised of the Company's shareholders' equity and any debt that it may issue. The Company's objectives when managing capital are to maintain financial strength and to protect its ability to meet its ongoing liabilities, to continue as a going concern, to maintain creditworthiness and to maximize returns for shareholders over the long term. Protecting the ability to pay current and future

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liabilities includes maintaining capital above minimum regulatory levels, current financial strength rating requirements and internally determined capital guidelines and calculated risk management levels.

Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company is reasonable. There were no significant changes in the Company's approach to capital management during the period.

14. FINANCIAL INSTRUMENTS AND RISK FACTORS

IFRS require that the Company disclose information about the fair value of its financial assets and liabilities. Fair value estimates are made at the reporting date, based on relevant market information and information about the financial instrument. These estimates are subjective in nature and involve uncertainties in significant matters of judgment and therefore cannot be determined with precision. Changes in assumptions could significantly affect these estimates.

Fair value measurements are classified using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The Company carried RSU liabilities at fair market value using Level 1 inputs.

As at September 30, 2024 and December 31, 2023, carrying amounts of cash, other current assets, and trade and other payables on the statement of financial position approximate fair market value because of the limited term of these instruments.

The Company's risk exposures and the impact on the Company's financial instruments are summarized below:

Credit risk

Credit risk is the risk of potential loss to the Company if a counter-party 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 the Strategic Minerals Promissory Note. The Company limits the exposure to credit risk by only investing its cash with high-credit quality financial institutions. Management believes that the credit risk related to its cash is negligible while the credit risk related to the Strategic Minerals Promissory Note is currently being evaluated in connection with the termination of the Proposed Transaction. More time is required to ascertain this risk.

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's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet its obligations when due. As at September 30, 2024 the Company had working capital deficit of \$1,499,761 (December 31, 2023 surplus of \$3,821,202). As at September 30, 2024, the Company had cash and cash equivalents of \$57,605 (December 31, 2023 - \$3,419,835) available to settle current liabilities of \$1,972,396 (December 31, 2023 - \$446,593). \$862,578 of the Company's accounts payable included in the "Trade and other payables" balance have contractual maturities of 90 days and over.

The Company manages liquidity risk through the management of its capital structure and financial leverage as described in Note 13. The Company monitors its ability to meet its short-term administrative expenditures by raising additional funds through share issuances when required.

Market risk

The Company is exposed to the following market risks:

Interest rate risk

The Company's treasury is exposed to interest rate risk, which could have an adverse effect on financial results and cash flows. Management considers the interest rate risk is not significant.

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Foreign exchange risk

The Company's functional currency is the Canadian dollar and certain of the Company's expenses are denominated in US\$ and EUR, therefore subject to gains or losses due to fluctuations in these currencies. As at September 30, 2024 and December 31, 2023, the Company's exposure to foreign currency risk with respect to amounts denominated in US\$ and EUR is as follows:

The following monetary assets and liabilities were denominated in US\$ as at	September 30, 2024	December 31, 2023
	US\$	US\$
Cash	7,648	15,805
Trade and other payables	(192,141)	(50,056)
Net exposure	(184,493)	(34,251)

The following monetary assets and liabilities were denominated in EUR as at	September 30, 2024	December 31, 2023
	€	€
Cash	6,487	459,512
Sales tax recoverable	38,098	20,941
Trade and other payables	(60,048)	(21,977)
Net exposure	(15,462)	458,476

The Company believes that a 10% strengthening of the Canadian dollar against the US\$ and EUR at September 30, 2024 would have increased the net asset position of the Company by \$7,167 (December 31, 2023 – \$65,423). A 10% weakening of the Canadian dollar against the same currencies would have had the opposite effect by approximately the same amount.

15. COMMITMENTS AND CONTINGENCIES*Title*

Although the Company has taken steps to verify title to the properties on which it is conducting exploration and in which it has a 100% interest, in accordance with industry standards for the current stage of operations of such properties, these procedures do not guarantee the Company's title. Property title may be subject to government licensing requirements or regulations, social licensing requirements, unregistered prior agreements, unregistered claims, and non-compliance with regulatory, environmental and social requirements. The Company's assets may also be subject to increases in taxes and royalties, renegotiation of contracts, and political uncertainty.

A three-year extension of the investigation permit underlying the Lithium Alberta project was granted by the Xunta de Galicia ("Xunta") on October 2, 2023. From an administrative perspective, the only pending task is the legal transfer of the investigation permit No. 5186 from SMS to the Company. To date, all of the necessary documents to effect the aforementioned transfer have been submitted with the Xunta and are currently being processed.

In tandem with progress at the Lithium Alberta Project, the Company is poised to advance exploration initiatives at the Lithium Carlota Project. The application for investigation permit No. 5191 has been transferred to the Company from SMS. IberSpain has submitted all requisite documentation, including an exploration plan, to the Xunta. Currently, the Company awaits the issuance of the permit, poised to commence further operations upon receipt.

Environmental

The Company's exploration and evaluation activities and projects are subject to laws and regulations governing the protection of the environment. These laws and regulations are continually changing and generally becoming more restrictive. The Company believes its activities are materially in compliance

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with all applicable laws and regulations. The Company has made, and expects to make in the future, expenditures to comply with such laws and regulations.

Service costs and consulting agreements

The Company is party to certain management contracts. As at September 30, 2024, these contracts contain minimum commitments of approximately \$1.95 million for contract terminations. As a trigger event has not taken place, the contingent payments have not been reflected in these condensed interim consolidated financial statements.