FORM 5A

ANNUAL LISTING SUMMARY

Introduction

The requirement to file this Form 5A does not apply to NV Issuers. NV Issuers must file a Form 51-102F2 Annual Information Form.

This Annual Listing Summary must be posted on or before the day on which the Issuer's annual financial statements are to be filed under the Securities Act. This statement is not intended to replace the Issuer's obligation to separately report material information forthwith upon the information becoming known to management or to post the forms required by the Exchange Policies.

General Instructions

(a) Prepare this Annual Listing Summary using the format set out below. The sequence of questions must not be altered nor should questions be omitted or left unanswered. The answers to the following items must be in narrative form. When the answer to any item is negative or not applicable to the Issuer, state it in a sentence. The title to each item must precede the answer.

(b) The term "Issuer" includes the Listed Issuer and any of its subsidiaries.

(c) Terms used and not defined in this form are defined or interpreted in Policy 1 – Interpretation and General Provisions.

Listed Issuer Name: EnviroMetal Technologies Inc **Website: https://envirometal.com** **Listing Statement Date: March 30, 2017** **Description(s) of listed securities(symbol/type): ETI/common shares**
Brief Description of the Issuer's Business: EnviroMetal Technologies is commercializing environmentally friendly and highly effective precious metal recovery technologies. EnviroMetal's proprietary non-cyanide, water-based, neutral pH and closed-circuit treatment process has been demonstrated to extract precious metals from ores and concentrates at lab and pilot scale. The Company is engaging with mining companies that are seeking to reduce costs and the environmental impact of their mining operations.
Description of additional (unlisted) securities outstanding: 5,800,000 stock options to employees and consultants (5,800,000 vested)

Jurisdiction of Incorporation: British Columbia		
Fiscal Year End: December 31		
Date of Last Shareholders' Meeting and Date of Next Shareholders' Meeting (if scheduled): June 27, 2023		
Financial Information as at: December 31, 2023 All financial information has been disclosed in the Issuer's Financial Statements for the year ended December 31, 2023 – please refer to Schedule A and the Issuer's Management Discussion and Analysis attached as Schedule B.		
	Current	**Previous**
Cash	**201,281**	**429,038**
Current Assets	**551,094**	**1,965,746**
Non-current Assets	**590,760**	**979,904**
Current Liabilities	**1,166,306**	**2,345,510**
Non-current Liabilities	**32,919**	**108,625**
Shareholders' equity	**(57,371)**	**491,515**
Revenue	**0**	**3,522,612**
Net Income (Loss)	**(842,390)**	**(5,515,203)**
Net Cash Flow from Operations	**(1,427,094)**	**(3,911,248)**

SUPPLEMENTARY INFORMATION

The supplementary information set out below must be provided when not included in the Schedules. If the required details are included in Schedule A or B, provide specific reference to the page or note.

All supplementary information has been disclosed in the Issuer's Financial Statements for the year ended December 31, 2023 (Schedule A) ("Financial Statements") and Management Discussion and Analysis (Schedule B) ("MD&A") – Please refer to attached Schedules.

1. Related party transactions

Provide disclosure of all transactions with a Related Person, including those previously disclosed on Form 10. Include in the disclosure the following information about the transactions with Related Persons:

(a) A description of the relationship between the transacting parties. Be as precise as possible in this description of the relationship. Terms such as affiliate, associate or related company without further clarifying details are not sufficient.

(b) A description of the transaction(s), including those for which no amount has been recorded.

(c) The recorded amount of the transactions classified by financial statement category.
(d) The amounts due to or from Related Persons and the terms and conditions relating thereto.
(e) Contractual obligations with Related Persons, separate from other contractual obligations.
(f) Contingencies involving Related Persons, separate from other contingencies.

All supplementary information has been disclosed in Note 17 of the Issuer's Financial Statements (Schedule A), and MD&A (Schedule B) – Please refer to attached Schedules.

2. Summary of securities issued and options granted during the period.

Provide the following information for the Listed Issuer's fiscal year:

The information contained in the following tables represents common shares issued for the period January 1 to December 31, 2023. See also Note 16 to the Financial Statements.

(a) summary of securities issued during the period,

Date of Issue	Type of Security (common shares, convertible debentures, etc.)	Type of Issue (private placement, public offering, exercise of warrants, etc.)	Number	Price	Total Proceeds	Type of Consideration (cash, property, etc.)	Describe relationship of Person with Issuer (indicate if Related Person)	Commission Paid
December 15, 2023	Unit[1]	Private placement	5,678,822	$0.05	$283,941	Cash	Arm's length	$0

[1]Each Unit consists of 1 common share of the Issuer and 1 common share purchase warrant. Each warrant gives the holder the right to purchase 1 common share in the capital of the Issuer prior to December 14, 2024 at a price of $0.10, and prior to December 14, 2024 at a price of $0.15.

(b) summary of options granted during the period,

No options were granted during the period January 1 to December 31, 2023. For additional information on the options granted and outstanding for the period January 1 to December 31, 2023 see Note 16 to the Financial Statements.

Date	Number	Name of Optionee if Related Person and relationship	Generic description of other Optionees	Exercise Price	Expiry Date	Market Price on date of Grant
February 17, 2023	200,000		Consultant	$0.15	February 16, 2025	$0.07

3. Summary of securities as at the end of the reporting period.

Provide the following information in tabular format as at the end of the reporting period:

(a) description of authorized share capital including number of securities outstanding for each class, dividend rates on preferred shares and whether or not cumulative, redemption and conversion provisions,

As at December 31, 2022, the Company has 107,928,458 shares issued and outstanding. The Company has 1 class of shares and pays no dividends.

Description	Number Authorized	Par Value
Common Shares	Unlimited	NPV
Description	**Number Issued and Outstanding**	**Value**
Common Shares	113,607,280	$8,544,291

(b) description of options, warrants and convertible securities outstanding, including number or amount, exercise or conversion price and expiry date, and any recorded value, and

As at December 31, 2023, the Company has 7,525,000 issued and outstanding. See also Note 16(c) of the Financial Statements.

Stock Options Outstanding at December 31, 2023

Expiry date		Exercise price	Number of stock options	Weighted average years to expiry
March 1, 2024		0.76	1,125,000	0.17
June 6, 2024		0.25	3,700,000	0.43
June 14, 2024		0.96	250,000	0.45
October 25, 2024		0.25	350,000	0.82
December 11, 2024		1.45	600,000	0.95
February 17, 2025		0.15	200,000	1.13
April 24, 2025		0.76	900,000	1.32
October 15, 2025		0.46	400,000	1.80
	$	**0.52**	**7,525,000**	**0.65**

As at December 31, 2023, the Company has 20,149,098 warrants issued and outstanding. See also Note 16(d) of the Financial Statements.

Warrants Outstanding at December 31, 2023

Expiry date		Exercise price	Number of warrants outstanding	Weighted average years to expiry
February 18, 2024	$	0.50	13,198,320	0.13
March 31, 2024		0.50	1,271,956	0.25
December 15, 2025		0.15	5,678,822	1.96
	$	**0.40**	**20,149,098**	**0.66**

(c) number of shares in each class of shares subject to escrow or pooling agreements or any other restriction on transfer.

As at December 31, 2022, the Company has 0 escrowed or restricted shares outstanding. See also Note 15(a) of the Financial Statements.

Description	Number Issued and Outstanding	Value
Escrowed and Restricted Shares	Nil	Nil

4. List the names of the directors and officers and include the position(s) held and the date of appointment, as at the date this report is signed and filed.

Name	Position	Since
Mel Lavitt	Co-Chairman of Board	March 1, 2019
Ken McNaughton	Director	March 21, 2017
Alexander Ruckdaeschel	Director	October 15, 2020
Wayne Moorhouse	President & CEO	June 17, 2019
Jason Leikam	CFO, VP Business Development	November 5, 2019

5. Financial Resources

a) State the business objectives that the Issuer expects to accomplish in the forthcoming 12-month period;

The Issuer plans to continue to develop its novel hydrometallurgical process for gold extraction and develop relationships with miners which lead to licensing agreements for the use of the technology.

The Issuer targets running pilot scale metallurgical programs for 2 – 3 mining clients during 2024 with the objective of having a client commit to at site pilot testing of the EnviroMetal Process prior to year end.

b) Describe each significant event or milestone that must occur for the business objectives in (a) to be accomplished and state the specific time period in which each event is expected to occur and the costs related to each event;

In anticipation of future demands to process material at client sites at a pilot scale and to access approved grant funding the Issuer plants to construct a portable plant capable of processing a minimum of 1.0 tonnes/day of gold ores or concentrates. Design and engineering work for the 1.0 tonne/day plant is planned for the 3rd quarter of 2024 and equipment procurement and construction to take place in Q4 2023. Estimated costs for design, materials and construction is $1,000,000.

In order to continue to advance relationships with potential clients the Issuer plans to invest $400,000 in marketing, supporting materials and external studies during 2024.

The Issuer estimates it will incur approximately $1,000,000 in additional expenses not included in the above during 2024.

The Issuer anticipates receiving proceeds from the sale of surplus assets throughout the year. The Issuer also expects receive revenues from consulting work for clients and the sale of recovered metal as well as funding and grant money from various outside programs.

The Issuer will need to complete a financing or financings during 2024 in order to complete the above.

c) Disclose the total funds available to the Issuer and the following breakdown of those funds:

(i) the estimated consolidated working capital (deficiency) as of the most recent month end prior to filing the Listing Statement, and

The Issuer estimates its working capital to be negative $400,000 at April 25, 2024.

(ii) the total other funds, and the sources of such funds, available to be used to achieve the objectives and milestones set out in paragraphs (a) and (b); and

The Issuer plans to sell surplus equipment and assets during the year and realize in excess of $100,000 from these sales. It is not possible to determine the timing and final selling prices of this group of assets held for sale.

The issuer anticipates receiving approximately $400,000 in government funding under the IRAP program and MICA Project during 2024.

In order to accomplish the business objectives detailed in paragraphs (a) and (b) above, the Issuer will have to source external funding.

(iii) describe in reasonable detail and, if appropriate, using tabular form, each of the principal purposes, with approximate amounts, for which the funds available described under the preceding paragraph will be used by the Issuer.

The Issuer currently has negative working capital and in order fund ongoing operations and planned programs will require external financing during 2024.

6. Status of Operations

During the fiscal year, did the Listed Issuer

(a) reduce or impair its principal operating assets; or

(b) cease or substantively reduce its business operations with respect to its stated business objectives in the most recent Listing Statement?

Provide details:

Due to unanticipated delays related to securing a demonstration partner the design and construction of a pilot plant for use at a client site did not occur during 2023 as originally planned. This work is now planned for 2024.

7. Business Activity

a) Activity for a mining or oil and gas Listed Issuer

(i) For the most recent fiscal year, did the Listed Issuer have positive cash flow, significant revenue from operations, or $50,000 in exploration or development expenditures?

Provide details.

(ii) If the response to (i) above is “no”, for the three most recent fiscal years did the Listed Issuer have an aggregate of $100,000 in exploration or development expenditures?

Provide details.

b) Activity for industry segments other than mining or oil & gas

(i) For the most recent fiscal year, did the Listed Issuer have positive cash flow, or $100,000 in revenue from operations or $100,000 in development expenditures?

Provide details.

No, the Company is currently pre revenue and any amounts received from consulting activities or metal sales are treated as a cost recovery.

(ii) If the response to (i) above is “no”, for the three most recent fiscal years, did the Listed Issuer have either $200,000 in operating revenues or $200,000 in expenditures directly related to the development of the business?

Provide details.

Yes, during each of the three most recent fiscal years the Listed Issuer incurred more than $200,000 in expenditures directly related to the development of its business, consulting to potential clients and licensing its gold recovery technology.

In addition, during 2022 and 2023 the Listed Issuer had revenues related to now discontinued operations of processing electronic waste and recovering gold from mine byproducts for clients. During the year ended December 31, 2023 the Issuer had total revenues of $3,869,069 consisting of $109,763 in consulting revenues, $3,412,749 from metal sales and $346,457 from discontinued operations. These revenues were not profitable or sustainable.

SCHEDULE A: AUDITED ANNUAL FINANCIAL STATEMENTS

ENVIROMETAL TECHNOLOGIES INC.

Consolidated Financial Statements

For the years ended December 31, 2023 and 2022

(Expressed in Canadian dollars)

WDM CHARTERED PROFESSIONAL ACCOUNTANTS

Independent Auditor's Report

To the Shareholders of:
ENVIROMETAL TECHNOLOGIES INC.

Opinion
We have audited the consolidated financial statements of EnviroMetal Technologies Inc. ("the Company"), which comprise the consolidated statements of financial position as at December 31, 2023, and the consolidated statements of changes in shareholders' equity (deficiency), loss and comprehensive loss, and cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of material accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2023, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards ("IFRS").

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

Material Uncertainty Related to Going Concern
Without qualifying our opinion, we draw attention to Note 1 in the consolidated financial statements, which describe certain conditions that indicate the existence of a material uncertainty that may cast significant doubt as to the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Other Matter
The consolidated financial statements for the year ended December 31, 2022, were audited by another auditor who expressed an unmodified opinion on those consolidated financial statements on May 1, 2023.

Key Audit Matters
Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Except for the matter described in the Material Uncertainty Related to Going Concern section, we have determined that there are no other key audit matters to communicate in our report.

Other Information
Management is responsible for the other information. The other information comprises Management's Discussion and Analysis. Our opinion on the consolidated financial statements does not cover the other information and will not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

We obtained Management's Discussion and Analysis prior to the date of this auditor's report. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

SERVICE

INTEGRITY

TRUST

SUITE 420
1501WEST BROADWAY
VANCOUVER, BRITISH COLUMBIA
CANADA V6J 4Z6

TEL: (604) 428-1866
FAX: (604) 428-0513
WWW.WDMCA.COM

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

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

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

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

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

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

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

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

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

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

The engagement partner on the audit resulting in this independent auditor's report is Mike Kao.

WDM

Chartered Professional Accountants

Vancouver, B.C.
April 22, 2024

ENVIROMETAL TECHNOLOGIES INC.
Consolidated Statements of Financial Position
(Expressed in Canadian dollars)

	Note	**December 31, 2023**	December 31, 2022 Restated (Note 5)	January 1, 2022 Restated (Note 5)
		$	$	$
ASSETS				
Current				
Cash	23	**201,281**	429,038	784,790
Trade and other receivables	6,17	**264,986**	29,158	434,921
Inventory	7	**-**	239,940	4,058,440
Assets held for sale	8	**28,800**	1,187,206	326,947
Prepaid expenses and deposits		**56,027**	80,404	155,546
		551,094	1,965,746	5,760,644
Investment in Group 11	9	**-**	-	301,665
Property, plant and equipment	10	**590,760**	979,904	2,169,295
Total assets		**1,141,854**	2,945,650	8,231,604
LIABILITIES				
Current				
Accounts payable and accrued liabilities	11	**256,179**	681,830	4,405,621
Current portion of lease liabilities	13	**90,696**	262,156	322,025
Deferred revenue		**-**	-	38,125
Due to related parties	17	**769,431**	252,498	62,264
Loan payable	12	**-**	40,000	40,000
Promissory notes	14,15	**50,000**	-	-
Contingent liability	21	**-**	1,109,026	1,109,026
		1,166,306	2,345,510	5,977,061
Lease liabilities	13	**32,919**	108,625	129,470
Total liabilities		**1,199,225**	2,454,135	6,106,531
SHAREHOLDERS' EQUITY (DEFICIENCY)				
Share capital	16(b)	**35,594,867**	35,333,446	31,914,465
Reserves		**6,072,314**	6,040,231	5,577,567
Contributed surplus		**750,000**	750,000	750,000
Deficit		**(42,474,552)**	(41,632,162)	(36,116,959)
Total shareholders' equity (deficiency)		**(57,371)**	491,515	2,125,073
Total liabilities and shareholders' equity (deficiency)		**1,141,854**	2,945,650	8,231,604

Nature of operations and going concern (Note 1)
Subsequent events (Note 25)

Approved and authorized for issue on behalf of the Board of Directors on April 22, 2024:

"Ken McNaughton"
Director

"Alexander Ruckdaeschel"
Director

ENVIROMETAL TECHNOLOGIES INC.
Consolidated Statements of Loss and Comprehensive Loss
(Expressed in Canadian dollars)

		Years ended December 31,	
	Note	**2023**	2022
		$	$
Revenue			
Consulting revenue		**-**	109,763
Sale of precious and other metals		**-**	3,412,849
		-	3,522,612
Operating expenses			
Operating costs		**101,938**	3,738,814
Management and employee costs	17,18	**552,094**	1,106,772
General and administration	17,19	**737,570**	1,314,220
Share-based payments	16(c)	**3,689**	438,520
		1,395,291	6,598,326
Net loss from operations		**(1,395,291)**	(3,075,714)
Other income (expenses)			
Depreciation	10	**(247,387)**	(417,312)
Foreign exchange gain (loss)		**3,741**	(18,920)
Gain on disposal of plant, property and equipment	10	**27,846**	-
Gain on lease buyout	10,13	**2,496**	-
Interest income		**1,021**	2,803
Interest and financing costs	13,14,15	**(33,572)**	(39,872)
Loss on investment in associate	9	**-**	(301,665)
Government subsidy	12,18	**10,000**	-
Reversal of contingent liability	21	**1,089,685**	-
		853,830	(774,966)
Loss from continuing operations		**(541,461)**	(3,850,680)
Loss from discontinued operations	20	**(300,929)**	(1,664,523)
Net loss and comprehensive loss		**(842,390)**	(5,515,203)
Net loss per share:			
Basic and diluted		**(0.01)**	(0.05)
Weighted average number of common shares:			
Basic and diluted		**108,192,228**	103,858,333

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

ENVIROMETAL TECHNOLOGIES INC.

Consolidated Statements of Cash Flows

(Expressed in Canadian dollars)

	Note	Year ended December 31, 2023	2022
		$	$
Operating activities:			
Net loss for the year		**(842,390)**	(5,515,203)
Items not affecting cash:			
Share-based payments		**3,689**	438,520
Depreciation		**247,387**	417,312
Gain on disposal of plant, property and equipment		**(27,846)**	-
Gain on lease buyout		**(2,496)**	-
Interest expense		**26,996**	38,227
Government subsidy		**(10,000)**	-
Reversal of contingent liability		**(1,089,685)**	-
Unrealized loss on investment in associate		**-**	301,665
Unrealized foreign exchange loss		**-**	18,920
Changes in working capital items other than cash:			
Trade and other receivables		**(141,823)**	405,763
Inventory		**26,800**	3,775,291
Prepaid expenses and deposits		**24,377**	75,143
Accounts payable and accrued liabilities		**(248,465)**	(3,971,430)
Deferred revenue		**-**	(38,126)
Due to related parties		**606,362**	142,670
Cash used in operating activities		**(1,427,094)**	(3,911,248)
Investing activities:			
Proceeds from disposals of property, plant and equipment		**45,699**	-
Purchases of property, plant and equipment		**-**	(412,576)
Cash provided by (used in) investing activities		**45,699**	(412,576)
Financing activities:			
Proceeds from units issued in private placement		**-**	3,558,114
Unit issuance costs		**-**	(114,989)
Proceeds from subscriptions received		**-**	295,200
Repayment of loan payable		**(30,000)**	-
Payment of lease liabilities		**(110,473)**	(114,889)
Cash (used in) provided by financing activities		**(140,473)**	3,623,436
Net cash used in continuing operations		**(1,521,868)**	(700,388)
Net cash provided by discontinued operations	20	**1,294,111**	406,104
Effect of foreign exchange rate on changes in cash		**-**	(61,468)
Cash, beginning of year		**429,038**	784,790
Cash, end of year		**201,281**	429,038
Supplemental cash flow information			
Cash interest paid		**7,029**	-
Cash interest received		**1,021**	-
Reversal of accrued unit issuance costs from accounts payable and accrued liabilities		**5,874**	-
Purchase of property, plant and equipment in accounts payable and accrued liabilities		**7,882**	-

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

ENVIROMETAL TECHNOLOGIES INC.

Consolidated Statements of Changes in Shareholders' Equity (Deficiency)

(Expressed in Canadian dollars, except number of shares)

			Reserves				
	Common Shares	**Share Capital Restated (Note 5)**	**Share-based Payments**	**Warrants Restated (Note 5)**	**Contributed Surplus**	**Deficit**	**Total Shareholders' Equity (Deficiency)**
	#	$	$	$	$	$	$
Balance, January 1, 2022	93,696,002	31,914,465	5,343,453	234,114	750,000	(36,116,959)	2,125,073
Units issued in private placement	14,232,456	3,558,114	-	-	-	-	3,558,114
Unit issuance costs	-	(139,133)	-	24,144	-	-	(114,989)
Share-based payments	-	-	438,520	-	-	-	438,520
Net loss for the year	-	-	-	-	-	(5,515,203)	(5,515,203)
Balance, December 31, 2022	107,928,458	35,333,446	5,781,973	258,258	750,000	(41,632,162)	491,515
Units issued in private placement	2,100,000	94,500	-	10,500	-	-	105,000
Units issued to settle convertible notes	3,578,822	161,047	-	17,894	-	-	178,941
Reversal of unit issuance costs	-	5,874	-	-	-	-	5,874
Share-based payments	-	-	3,689	-	-	-	3,689
Net loss for the year	-	-	-	-	-	(842,390)	(842,390)
Balance, December 31, 2023	**113,607,280**	**35,594,867**	**5,785,662**	**286,652**	**750,000**	**(42,474,552)**	**(57,371)**

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

1. NATURE OF OPERATIONS AND GOING CONCERN

EnviroMetal Technologies Inc. ("the Company" or "EnviroMetal") was incorporated under the province of Alberta's Business Corporations Act on October 21, 2016. On December 4, 2020, the Company enacted a continuance from the province of Alberta to the province of British Columbia under the province of British Columbia's Business Corporation Act and adopted new articles of incorporation.

The Company specializes in precious metal extraction processes with applications in the primary and secondary metals industries. The Company shares are listed for trading on the Canadian Securities Exchange ("CSE") under the symbol "ETI". The Company additionally trades in the United States on the OTCQX venture marketplace under the symbol "EVLLF" and on the Frankfurt Stock Exchange under the symbol "7N2".

The Company's registered office is located at #1500 - 1055 West Georgia St., Vancouver, BC V6E 0B6 and its corporate offices are located at #208 - 6741 Cariboo Rd, Burnaby, BC V3N 4A3.

These consolidated financial statements for the years ended December 31, 2023 and 2022 have been prepared on the assumption that the Company will continue as a going concern, meaning it will continue in operation for the foreseeable future and will be able to realize assets and discharge liabilities in the ordinary course of operations. For the year ended December 31, 2023, the Company incurred a loss of $842,390 (2022 - $5,515,203) and has an accumulated deficit of $42,474,552 (December 31, 2022 - $41,632,162). There are several adverse conditions which present a material uncertainty that may cast significant doubt on the Company's ability to continue as a going concern. The Company has incurred operating losses since inception, is unable to self-finance operations and has significant on-going cash requirements to meet its overhead obligations. The continuing operations of the Company are dependent upon economic and market factors which involve uncertainties including the Company's ability to raise adequate equity financing and ultimately develop profitable operations. The Company is of the view that these objectives can be met, and that the going concern assumption is appropriate. If the going concern assumption were not appropriate for these consolidated financial statements, then adjustments would be necessary to the carrying value of assets and liabilities, the reported revenue, expenses and the consolidated statements of financial position classifications used, and such adjustments could be material.

2. BASIS OF PREPARATION

a) Statement of compliance

These consolidated financial statements were approved by the Board of Directors and authorized for issue on April 22, 2024.

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board and interpretations of the International Financial Reporting Interpretations Committee.

b) Basis of measurement

These consolidated financial statements have been prepared using the historical cost basis, except for certain financial assets and liabilities which are measured at fair value, as specified by IFRS, as well as information presented in the consolidated statements of cash flows.

c) Functional and presentation currency

The consolidated financial statements are presented in Canadian dollars, which is the functional currency of the Company.

d) Basis of consolidation

These consolidated financial statements include the accounts of the Company and its subsidiary, EnviroCircuit. All intercompany transactions and balances are eliminated on consolidation. Control exists where the parent entity has power over the investee and is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Subsidiaries are included in the consolidated financial statements from the date control commences until the date control ceases.

During the year ended December 31, 2022, the Company dissolved its inactive subsidiary EnviroMetal DMCC.

3. MATERIAL ACCOUNTING POLICIES

a) Cash

Cash includes cash on deposit in Canadian banks, and other short-term highly liquid investments with original maturities of three months or less.

b) Inventory

Inventory consists of raw materials and supplies to be consumed in operating and research activities and include consumables and spare equipment for the gold concentrate processing pilot plant. All inventory is measured at the lower of cost and net realizable value in accordance with International Accounting Standard 2 *Inventories*. The cost of inventory is determined on a weighted average basis and includes expenditures incurred in acquiring the inventory and other costs incurred in bringing it to its existing location and condition. When inventory is consumed or sold, the related costs are expensed in the period the revenue is recognized. At each reporting period mineral concentrates for sale and precious metal finished goods are held at net realizable value, and carrying values are updated with assay results from downstream customers.

c) Assets held for sale

The Company has accounted for assets held for sale in accordance with IFRS 5 *Non-current assets held for sale and discontinued operations*. Items classified as assets held for sale are non-current assets and liabilities that will be recovered principally through a sale transaction rather than continual use. This condition is satisfied when the asset is available for immediate sale in its present condition, management is committed to the sale, and it is highly probable to occur within one year. Non-current assets (and disposal groups) classified as held for sale are measured at the lower of their previous carrying amount and fair value less selling costs and, if significant, are presented separately from other assets as current assets on the consolidated statements of financial position. If assets are held for longer than 12 months, the Company records a provision for the expected decrease in sales value.

d) Property, plant and equipment

Property, plant and equipment are recorded at cost less accumulated depreciation and impairment losses, if any. Costs directly attributable to the acquisition or construction of plant and equipment are capitalized as part of the costs. Repairs and maintenance are charged to profit or loss during the financial period in which they are incurred. Upon retirement, disposal or destruction of an asset, the cost and related depreciation are removed from the accounts and any gain or loss is included in profit or loss. Property, plant and equipment assets are tested for impairment if events or circumstances indicate that the assets might be impaired.

A summary of the Company’s annual depreciation rates and methods is as follows:

Class of property, plant and equipment	Useful life (years)	Depreciation method
Plant and equipment	7 to 10	Straight-line
Vehicles	5	Straight-line
Office furniture and fixtures	3 to 5	Straight-line

3. MATERIAL ACCOUNTING POLICIES (continued)

e) Leases

In accordance with IFRS 16 *Leases*, as of January 1, 2018, at the commencement date of a lease, the Company recognizes a lease liability and an asset representing the right to use the underlying asset during the lease term (i.e. the “right-of-use” asset) unless the underlying asset has a low value or the lease term is twelve months or less, in which case leases are expensed in the period incurred. At commencement date, the right-of-use asset is measured at cost, which includes the initial amount of the lease liability, adjusted for any lease payments made at or before the commencement date, any initial direct costs incurred, and an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset. The right-of-use asset is then amortized using the straight-line method from the lease commencement date to the earlier of the end of the lease term or the end of the useful life of the asset. The right-of-use asset may be reduced for any impairment losses, if any.

At the lease commencement date, the lease liability is measured at the present value of the future lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease, or, if that rate cannot be readily determined, the Company’s incremental borrowing rate. Generally, the Company uses its incremental borrowing rate, which is the rate the Company would pay for similar assets at similar locations over a similar term, as the discount rate. The lease liability is measured at amortized cost using the effective interest method.

The lease liability is re-measured when there is a change in future lease payments due to a change in an index or rate, a change in the Company’s estimate of an amount payable under residual value guarantee, or if there is a change in the assessment of whether the Company will exercise a purchase, termination or extension option. When the lease liability is re-measured, a corresponding adjustment is made to the right-of-use asset or recognized in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

f) Convertible notes

A financial instrument is an equity instrument if the instrument includes no contractual obligation to deliver cash or another financial asset to another entity, and if the instrument will or maybe settled with the issuer’s own equity instruments, it is either a non-derivative that includes no contractual obligation for the issuer to deliver variable number of its own equity instruments or a derivative that will be settled only by the issuer exchanging a fixed amount of cash or another financial asset for a fixed number of its own equity instruments. The Company’s convertible notes have met the definition of an equity instrument and were classified as such. The convertible notes have been measured at fair value less transaction costs and are due on demand. The interest accrued will be reclassified to share capital upon issuance of the shares on settlement of the convertible notes.

g) Revenue recognition

The Company derives revenue from the sale of precious metals in a concentrate or pure form, licensing fees and consulting fees. In accordance with IFRS 15 *Revenue from contracts with customers*, the Company recognizes revenue using the following 5 steps:

1. Identify that a contract exists
2. Identify performance obligations
3. Determine price
4. Allocate price to performance
5. Recognize performance is completed

Revenue streams are as follows:

<u>Sales of precious and other metals</u>

The Company sells precious and other metals to smelters and refiners for final transformation into investment grade precious metals or commercial grade base metals. These smelters and refiners have over-arching agreements that govern how materials flows will be accounted for at the point of sale. The sale is recorded at the point in time when performance obligation is met, and when the risk and rewards of ownership is passed on to the smelting or refining companies, which is the date that they acknowledge receipt of the goods via waybill or bill of lading. The transaction price is determined over time, with provisional payments based on the market value of the marketable metals at the time of delivery (using the average price from the previous month) and adjusted at the time of the final settlement. As the Company does not use forward contracts, there may be provisional adjustments to the price received from the sale of materials for up to 6 months after initial delivery.

3. MATERIAL ACCOUNTING POLICIES (continued)

Consulting services

The services are sold to companies operating in the mining and/or recycling industries and primarily relate to the design and implementation of the Company's intellectual property, catered to the client's needs. Services rendered are measured either using time as the basis for measurement, or achievement of pre-determined milestones. The primary time basis of measurement is labour hours for technical analysis, and the primary milestones would be delivery of digital report, investigatory result, or completion of a project. For consulting services where the sales model is uncapped hours with a report to formalize completion, revenue is recorded as the input hours are measured. When a project has a fixed value, and the duration is longer than one period revenue is recorded based on actual hours as a percentage of budgeted. When a project has a fixed value and the duration is within a period, revenue is recorded on the delivery of the final milestone, usually a technical report.

h) Impairment

At each reporting date, the Company reviews its property, plant and equipment at the cash generating unit ("CGU") level to determine whether there is any indication that these assets are impaired. If any such indication exists, the recoverable amount of the relevant CGU is estimated in order to determine the extent of impairment. A CGU is the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets. The Company has two CGUs; (1) E-waste and mineral processing; and (2) performing technical services related to implementing its proprietary technology for the extraction of precious metals for the mining and E-waste industries. These two revenue streams have independent labour pools, locations, and client profiles and as such are separated for the purposes of CGU analysis.

Impairment of a CGU is assessed when facts and circumstances suggest that the carrying amount of the asset may exceed its recoverable amount, being the higher of the value in use and the fair value less costs to sell. In assessing value in use, the estimated future cash flows associated with the asset are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted. For fair value less costs to sell, the Company uses discounted cash flow techniques to determine fair value when it is not possible to determine fair value either by quotes from an active market or a binding sales agreement. Discounted cash flow techniques require management to make estimates and assumptions concerning future production revenues and expenses. The determination of discounted cash flows is dependent on many factors, including future metal prices, production schedules, production costs, sustaining capital expenditures and plant closure and site rehabilitation costs. If the recoverable amount of the asset is estimated to be less than its carrying amount, the carrying amount is reduced to its recoverable amount with the impairment recognized in profit and loss.

Impairment losses recognized in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there had been a change in the estimates used to determine the recoverable amount. If an impairment is subsequently reversed, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, subject to the amount not exceeding the carrying amount that would have been determined had impairment not been recognized for the asset in prior periods.

i) Income taxes

Income tax expense consists of current and deferred income taxes based on taxable profits. Current and deferred income taxes are included in profit and loss except to the extent that they relate to a business combination or items recognized directly in equity or other comprehensive income.

Current income taxes are recognized for the estimated income taxes payable or receivable on taxable income (loss) for the current period and any adjustment to income taxes payable or receivable in previous periods. Current income taxes are determined based on enacted or substantively enacted tax rates and laws at the end of the current financial reporting year. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate based on amounts expected to be paid to the tax authorities.

3. MATERIAL ACCOUNTING POLICIES (continued)

Deferred income taxes are determined using the liability method where there are differences between the carrying amounts and tax bases of assets and liabilities, and unused tax losses and credits. Deferred tax liabilities and assets are measured by applying tax rates that are expected to apply when the amounts are realized or settled respectively, based on enacted or substantively enacted tax rates and laws at the end of the current financial reporting year. A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be realized and is later reduced if the Company determines it is no longer probable to be realized. The Company has not currently recognized any deferred tax assets or liabilities. No deferred tax asset has been recognized in respect of tax loss carry-forwards or deductible temporary differences as it is not probable at the end of the financial reporting year that future taxable profits will be available such that a tax asset can be realized.

j) Government subsidies

Amounts received or receivable resulting from government subsidies programs are recognized where there is reasonable assurance that the amount of government subsidies will be received, and all attached conditions will be complied with. When the amount relates to an expense item, it is recognized as a reduction against the costs it is intended to compensate. When the amount does not relate to an expense item, it is recognized as other income. When the amount relates to an asset, it reduces the carrying amount of the asset and is then recognized as income over the useful life of the depreciable asset by way of a reduced depreciation charge.

k) Share-based payments

The Company has a share-based payments plan described in Note 16. Compensation costs are measured at the grant date based on the fair value of the award and are recognized on a graded basis over the vesting period in profit and loss, with a corresponding increase to reserves. Upon exercise, common shares are issued from treasury and the amount reflected in reserves is credited to share capital, as adjusted for any consideration paid.

The Black-Scholes option pricing model is used to determine the fair value of new grants. This model incorporates subjective assumptions, including volatility and expected life. At the end of each reporting period, the Company reviews and adjusts the amount recognized as an expense based on the number of options expected to vest. The impact of the revision, if any, is recognized in profit and loss, with a corresponding adjustment to share-based payments reserves.

Options issued to non-employees are measured based on the fair value of the services received at the date of receiving those services. If the fair value of the goods or services cannot be estimated reliably, the options are measured by determining the fair value of the options granted using the Black-Scholes option pricing model.

l) Share capital

The Company’s common shares are classified as equity instruments. Incremental costs directly attributable to the issuance of common shares are shown in equity as a deduction from the proceeds of issuance.

Proceeds from unit placements are allocated between shares and warrants on a residual value basis. Common shares issued for consideration other than cash are valued based on their market value at the date of issuance. Proceeds from the issuance of units are allocated between common shares and share purchase warrants on a residual value basis, wherein the fair value of the common shares is based on the market value on the date of issuance and the balance, if any, is allocated to the attached warrants. Upon exercise of warrants, consideration paid by the warrant holder together with the amount previously recognized in warrants reserves is recorded as an increase to share capital.

When there is an issuance of shares above the par value, the premium is recorded as contributed surplus in shareholders’ equity on the balance sheet.

3. MATERIAL ACCOUNTING POLICIES (continued)

m) Earnings (loss) per share

Basic earnings (loss) per share is computed by dividing the net income (loss) by the weighted-average number of outstanding common shares for the year.

Diluted earnings (loss) per share is computed by dividing the net income (loss) attributable to the common shareholders of the Company by the weighted-average number of outstanding common shares for the year including all additional common shares that would have been outstanding if potentially dilutive equity instruments were converted to common shares. The weighted average number of common shares used to calculate the dilutive effect assumes that the proceeds that could be obtained upon exercise of stock options would be used to purchase common shares at the average market price during the period.

In periods where a net loss is incurred, basic and diluted loss per share is the same as the effect of outstanding stock options would be anti-dilutive.

n) Financial instruments

On initial recognition, a financial asset is classified as: amortized cost, fair value through profit and loss ("FVTPL"), or fair value through other comprehensive income ("FVTOCI"). The classification of financial assets is made in accordance with their contractual cash flow characteristics and the business models under which they are held.

Financial assets are derecognized when they mature or are sold, and substantially all the risks and rewards of ownership have been transferred. Gains and losses on derecognition of financial assets classified as FVTPL or amortized cost are recognized in profit and loss. Gains or losses on equity financial assets classified as FVTOCI remain within accumulated other comprehensive income.

The Company's financial assets comprise of cash, trade and other receivables, excluding government subsidies and taxes receivable, which are classified as and measured at amortized cost.

<u>Financial assets at amortized cost</u>

At each reporting date, the Company assesses whether there has been a significant increase in credit risk that would provide objective evidence that a financial asset at amortized cost is impaired. The Company recognizes a loss allowance for expected credit losses on its financial assets. The amount of expected credit losses is updated at each reporting period to reflect changes in credit risk since initial recognition of the respective financial instruments.

Financial assets at amortized cost are initially recognized at fair value plus transaction costs and subsequently carried at amortized cost less any impairment using the effective interest method. They are classified as current or non-current based on their maturity dates.

<u>Financial liabilities</u>

All financial liabilities are recognized initially on the trade date at which the Company becomes a party to the contractual provision of the instrument. The Company derecognizes a financial liability when its contractual obligations are discharged or cancelled, or they expire.

Financial liabilities are initially recognized at fair value less any directly attributable transaction costs. Subsequent to initial recognition, financial liabilities are measured at amortized cost using the effective interest method.

The Company's financial liabilities comprise of accounts payable and accrued liabilities, due to related parties, loan payable and promissory notes, which are classified as and measured at amortized cost. Financial liabilities are classified as current or non-current based on their maturity dates.

3. MATERIAL ACCOUNTING POLICIES (continued)

o) Investments in associates

Investments in associated corporations and limited partnerships over which the Company has significant influence are accounted for using the equity method. The equity method is applied to interests in joint ventures over which joint control has been established. Under the equity method of accounting, investments are initially recorded at cost, and the carrying amount is increased or decreased to recognize our share of the investee's net profit or loss, including the proportionate share of the investee's other comprehensive income, subsequent to the date of acquisition.

p) Provisions, contingent liabilities, and contingent assets

Provisions are recognised when the Company has a present or constructive obligation as a result of past events, when it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and when a reliable estimate of the amount can be made. Provisions are reviewed at the end of each financial reporting period and adjusted to reflect the current best estimate. Where the effect of the time value of money is material, the provision is the present value of the estimated expenditure required to settle the obligation.

A contingent liability is a possible obligation that arises from past events and whose existence will only be confirmed by the occurrence of one or more uncertain future events not wholly within the control of the Company. It can be a present obligation arising from past events that is not recognised because it is not probable that an outflow of economic resources will be required, or the amount of obligation cannot be measured reliably.

A contingent liability is not recognised but is disclosed in the notes to the consolidated financial statements when a change in the probability of an outflow occurs so that the outflow is probable, it will then be recognised as a provision.

A contingent asset is a probable asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain events not wholly within the control of the Company.

The Company does not recognise contingent assets but discloses its existence where inflows of economic benefits are probable, but not virtually certain.

q) New accounting standards and interpretations

The Company adopted the following amendments to accounting standards, which are effective for annual periods beginning on or after January 1, 2023:

<u>Disclosure of accounting policies - amendments to IAS 1 and IFRS Practice Statement 2</u>

The amendments to IAS 1 Presentation of financial statements and IFRS Practice Statement 2 Making materiality judgments provide guidance and examples to help entities apply materiality judgments to accounting policy disclosures. The amendments aim to help entities provide accounting policy disclosures that are more useful by replacing the requirement for entities to disclose their 'significant' accounting policies with a requirement to disclose their 'material' accounting policies and adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures. The amendments have had an impact on the Company's disclosures of accounting policies, but not on the measurement, recognition or presentation of any items in the Company's consolidated financial statements.

4. SIGNIFICANT JUDGMENTS AND SOURCES OF ESTIMATION UNCERTAINTY

The preparation of these consolidated financial statements in conformity with IFRS requires management to make estimates, assumptions and judgments that affect the application of accounting policies and the reported amounts of assets, liabilities and expenses. Actual outcomes could differ from these estimates and assumptions. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognized in the period in which estimates are revised and in any future period affected.

Significant estimates and judgments used in applying accounting policies that have the most significant effect on the amounts recognized in the consolidated financial statements are as follows:

4. SIGNIFICANT JUDGMENTS AND SOURCES OF ESTIMATION UNCERTAINTY (continued)

Inventory

Parts, raw materials, chemicals, work in progress and finished goods are stated at the lower of cost and net realizable value. Cost comprises direct materials, direct labour and an appropriate proportion of variable and fixed overhead expenditure, the latter being allocated on the basis of normal operating capacity. Costs are assigned to individual items of inventory on the basis of weighted average costs. Costs of purchased inventory are determined after deducting rebates and discounts. Net realizable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

Revenue for provisional invoices

Provisional invoices are issued for precious metal sales that reflect the estimated amount of metal in the shipment and the current dollar value of the metal at the date of the invoice. Both the amount of precious metal and the expected price on settlement are not known on delivery. The Company records a provisional invoice using the best available estimates and updates when new information becomes available until final settlement.

Assets held for sale

The value of assets held for sale requires significant judgment. Illiquid markets, uncertain selling costs, and environmental weathering all contribute to potential variance in final value received by the Company. The reported carrying value is assessed each reporting period and assets held for sale that have been unsold for 12 months or longer are reviewed for indicators of obsolescence. Principally, these indicators are either technological or physical. Currently management does not anticipate any of the assets currently held for sale to experience significant technological obsolescence, however, some assets held for sale are stored outdoors and as such the Company estimates that after four years the main value of the remaining assets may be through a salvage sale. The actual amount of physical deterioration over time and final sale value is subject to significant variation on outcomes.

Discontinued operations

A discontinued operation is a component of the Company that has been disposed of or is classified as held for sale and that represents a separate major line of business or geographical area of operations, is part of a single coordinated plan to dispose of such a line of business or area of operations, or is a subsidiary acquired exclusively with a view to resale. The results of discontinued operations are presented separately in the profit or loss.

Impairment of non-financial assets
Assets are reviewed for an indication of impairment at each consolidated statement of financial position date upon the occurrence of events or changes in circumstances indicating that the carrying value of the assets may not be recoverable. This determination requires significant judgment. Factors that could trigger an impairment review of property, plant and equipment include, but are not limited to, significant negative industry or economic trends including the price of precious and base metals, decrease in market capitalization and/or deferral of capital investments.

The Company’s recoverable amount measurement with respect to the carrying amount of non-financial assets is based on numerous assumptions and may differ significantly from actual recoverable amount. The recoverable amount is based, in part, on certain factors that may be partially or totally outside of the Company’s control. This evaluation involves a comparison of the estimated recoverable amount of non-financial assets to their carrying values. The Company’s recoverable amount estimates are based on numerous assumptions such as, but not limited to, estimated realized metal prices, operating costs, metal recoveries, capital and site restoration expenditures, and estimated future foreign exchange rates, and may differ from actual values. These differences may be significant and could have a material impact on the Company’s financial position and results of operation.

Management’s estimates of future cash flows are subject to risk and uncertainties. It is reasonably possible that changes could occur with evolving economic conditions, which may affect the recoverability of the Company’s non-financial assets.

4. SIGNIFICANT JUDGMENTS AND SOURCES OF ESTIMATION UNCERTAINTY (continued)

Current income taxes

The Company's interpretations of underlying tax regulations may differ from those of the tax department. Judgment is required to determine the appropriate accounting and disclosure treatment based on the facts. To the extent that a dispute arises, management must determine whether it is probable that a tax liability exists and whether the extent of the liability may be estimated and accrued in the consolidated financial statements in addition to determining the appropriate level of disclosure regarding the dispute.

Share-based compensation related to stock options

Management assesses the fair value of stock options using the Black-Scholes option pricing model. This model requires management to make estimates and assumptions with respect to inputs including the risk-free interest rate, share price volatility and expected life of the equity-settled instruments. As well, management must make assumptions about anticipated forfeitures based on the historical actions of plan participants which may not be a true representation of future participant exercise behavior.

Reversal of provision

Provisions shall be reviewed at the end of each reporting period and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of resources embodying economic benefits will be required to settle the obligation, the provision shall be reversed. Management has relied on expert advice based on the legal professional's interpretation of the underlying joint venture agreements, the notice of material breach served to the counterparty and assessment of the merit of the ongoing case against the Company. As a result, management has applied judgment in concluding that the provision recorded in the prior reporting period is no longer required.

Application of the effective interest method

Interest is recognized in interest income and interest expense in profit and loss generally for all interest-bearing financial instruments using the effective interest method. The effective interest rate is the rate that discounts estimated future cash flows over the expected life of the financial asset or liability to the net carrying amount upon initial recognition. Significant judgment is applied in determining the effective interest rate due to uncertainty in the timing and amounts of future cash flows.

Expected credit loss

Under IFRS 9 *Financial instruments*, the Company initially recognizes expected credit losses arising from potential default over the next 12 months. The Company uses the probability of default based on the exposure at default, probability of default and loss given default to factor the expected loss.

Incremental borrowing rate

The Company cannot readily determine the interest rate implicit in leases where it is the lessee, therefore, it uses its incremental borrowing rate ("IBR") to measure lease liabilities. The IBR is the rate of interest that the Company would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Company 'would have to pay', which requires estimation as the Company does not have financing transactions with third parties.

The Company estimates the IBR using observable inputs (such as market interest rates) and groups leases into their constituent categories with similar characteristics. The other significant estimates used as an input is the relative increase or decrease in interest rates according to prevailing market adjustments for individual categories. The two main metrics used to adjust market interest rates for categories are whether a lease is for a short or long duration, and if the asset is fixed or mobile.

Going concern evaluation

Significant judgments used in the preparation of these consolidated financial statements relate to the assessment of the Company's ability to continue as a going concern. Management has applied judgments in the assessment of the Company's ability to continue as a going concern when preparing its consolidated financial statements. Management prepares the consolidated financial statements on a going concern basis unless management either intends to liquidate the entity or has no realistic alternative but to do so. In assessing whether the going concern assumption is appropriate, management takes into account all available information about the future, which is at least, but is not limited to, twelve months from the end of the reporting period. As a result of the assessment, management concluded the going concern basis of accounting is appropriate.

(Expressed in Canadian dollars, except where noted)

5. CHANGE IN ACCOUNTING POLICY

Effective January 1, 2023, the Corporation changed its accounting policy of measuring fair value of warrants issued as part of units in a private placement from using relative fair value method to residual method. Under the new policy, proceeds are allocated first to share capital up to the fair value of the common shares, determined by reference to the quoted market price of the common shares on the issuance date, with the residual amount of proceeds, if any, allocated to the reserve for warrants.

The Company has applied the change in accounting policy on a retrospective basis and has therefore restated its 2022 comparatives as follows:

Consolidated Statement of Financial Position

As at December 31, 2022	As previously reported	Adjustment	Restated
	$	$	$
SHAREHOLDERS' EQUITY			
Share capital	32,202,013	3,131,433	35,333,446
Warrants reserves	3,389,691	(3,131,433)	258,258

As at January 1, 2022	As previously reported	Adjustment	Restated
	$	$	$
SHAREHOLDERS' EQUITY			
Share capital	29,726,905	2,187,560	31,914,465
Warrants reserves	2,421,674	(2,187,560)	234,114

(Expressed in Canadian dollars, except where noted)

5. CHANGE IN ACCOUNTING POLICY (continued)

Consolidated Statement of Changes in Shareholders' Equity

			Reserves				
Previously reported	**Common Shares**	**Share Capital**	**Share-based Payments**	**Warrants**	**Contributed Surplus**	**Deficit**	**Total Shareholders' Equity**
	#	$	$	$	$	$	$
Balance, December 31, 2021	93,696,002	29,726,905	5,343,453	2,421,674	750,000	(36,116,959)	2,125,073
Units issued in private placement	14,232,456	2,614,133	-	943,981	-	-	3,558,114
Unit issuance costs	-	(139,025)	-	24,036	-	-	(114,989)
Share-based payments	-	-	438,520	-	-	-	438,520
Net loss for the year	-	-	-	-	-	(5,515,203)	(5,515,203)
Balance, December 31, 2022	107,928,458	32,202,013	5,781,973	3,389,691	750,000	(41,632,162)	491,515

			Reserves				
Adjustments	**Common Shares**	**Share Capital**	**Share-based Payments**	**Warrants**	**Contributed Surplus**	**Deficit**	**Total Shareholders' Equity**
	#	$	$	$	$	$	$
Balance, December 31, 2021	-	2,187,560	-	(2,187,560)	-	-	-
Units issued in private placement	-	943,981	-	(943,981)	-	-	-
Unit issuance costs	-	(108)	-	108	-	-	-
Balance, December 31, 2022	-	3,131,433	-	(3,131,433)	-	-	-

			Reserves				
Restated	**Common Shares**	**Share Capital**	**Share-based Payments**	**Warrants**	**Contributed Surplus**	**Deficit**	**Total Shareholders' Equity**
	#	$	$	$	$	$	$
Balance, December 31, 2021	93,696,002	31,914,465	5,343,453	234,114	750,000	(36,116,959)	2,125,073
Units issued in private placement	14,232,456	3,558,114	-	-	-	-	3,558,114
Unit issuance costs	-	(139,133)	-	24,144	-	-	(114,989)
Share-based payments	-	-	438,520	-	-	-	438,520
Net loss for the year	-	-	-	-	-	(5,515,203)	(5,515,203)
Balance, December 31, 2022	107,928,458	35,333,446	5,781,973	258,258	750,000	(41,632,162)	491,515

(Expressed in Canadian dollars, except where noted)

6. TRADE AND OTHER RECEIVABLES

A summary of the Company's trade and other receivables is as follows:

	2023	2022
	$	$
Due from related party (Note 17)	**29,988**	4,987
Government subsidies	**144,597**	-
Taxes receivable	**15,563**	14,596
Trade receivable	**74,838**	9,575
	264,986	29,158

A summary of the Company's aging of trade and other receivables is as follows:

	2023	2022
	$	$
Current to 30 days	**148,721**	24,388
31 - 60 days	**111,277**	4,400
Greater than 90 days	**4,988**	370
	264,986	29,158

Subsequent to December 31, 2023, the Company received $25,000 of subscription receivable from December 2023 private placement which were included in the $29,988 due from related party (Note 25).

7. INVENTORY

A summary of the Company's inventory is as follows:

	2023	2022
	$	$
Parts	**-**	46,400
Chemicals	**-**	193,540
	-	239,940

Parts consist of equipment and parts used in the Company's pilot plant and which are not included in property, plant and equipment. Chemicals include chemicals and other reagents used in pilot plant and lab operations. During the year ended December 31, 2023, the Company recognized a write down of $213,140 (2022 - $nil) under loss from discontinued operations (Note 20).

A summary of the Company's inventory movement is as follows:

	$
Balance, December 31, 2021	4,058,440
Purchased	853
Sold	(3,691,503)
Loss on sale	(127,850)
Balance, December 31, 2022	239,940
Sold	(26,800)
Write down	(213,140)
Balance, December 31, 2023	**-**

(Expressed in Canadian dollars, except where noted)

8. ASSETS HELD FOR SALE

During the year ended December 31, 2022, the Company ceased processing E-waste (Note 20). As a result, management determined the value of the E-waste processing assets to be recovered through a sale transaction rather than continued use. Accordingly, the Company reclassified $997,401 from property, plant, and equipment to assets held for sale. The assets reclassified as assets held for sale are measured at the lower of carrying amount and fair value less costs to sell.

A summary of the Company's assets held for sale is as follows:

	$
Balance, December 31, 2021	326,947
Additions	997,401
Sold	(25,001)
Write down	(112,141)
Balance, December 31, 2022	1,187,206
Sold	(1,101,261)
Write down	(57,145)
Balance, December 31, 2023	**28,800**

During the year ended December 31, 2023, the Company disposed of certain assets held for sale with a carrying value of $1,101,261 for gross proceeds of $1,263,112 resulting in a $161,851 gain on disposals of assets held for sale (Note 20).

During the year ended December 31, 2022, the Company disposed of certain assets held for sale with a carrying value of $25,001 for gross proceeds of $8,878 resulting in a $16,123 loss on disposals of assets held for sale (Note 20).

9. INVESTMENT IN GROUP 11

During the year ended December 31, 2020, the Company acquired 12,000,000 shares of Group 11 Technologies Inc. ("Group 11"), a US-based technology firm, representing 40% of the issued and outstanding shares of Group 11 at the acquisition date. In exchange for the initial 40% ownership position, EnviroMetal granted Group 11 a license to use the Company's metal extraction technology. On initial recognition, the investment was recorded at cost, being $750,000. During the year ended December 31, 2021, Group 11 completed a private placement financing resulting in the issuance of additional shares and a dilution of the Company's ownership to 34%.

The Company has determined it has significant influence over Group 11 and has accounted for this investment using the equity method of accounting. As at December 31, 2022, Group 11 had constrained activities and additional financing was unavailable in its market. As a result, the Company determined its investment to be unrecoverable and wrote the balance of its investment off through profit or loss.

During the year ended December 31, 2023, the Company recognized a loss on investment in associate of $nil (2022 - $301,665).

(Expressed in Canadian dollars, except where noted)

10. PROPERTY, PLANT AND EQUIPMENT

A summary of the Company's property, plant and equipment is as follows:

	Equipment	Right-of-use assets	Office fixtures	Computers	Vehicle	Total
	$	$	$	$	$	$
Cost						
Balance, December 31, 2021	4,594,065	1,592,526	162,409	41,391	20,158	6,410,549
Additions	213,217	247,950	199,359	-	-	660,526
Transfers	(1,432,605)	-	-	-	-	(1,432,605)
Balance, December 31, 2022	3,374,677	1,840,476	361,768	41,391	20,158	5,638,470
Additions	-	-	7,882	-	-	7,882
Disposals	(3,375)	(8,867)	(5,699)	-	(20,158)	(38,099)
Balance, December 31, 2023	**3,371,302**	**1,831,609**	**363,951**	**41,391**	**-**	**5,608,253**
Accumulated depreciation						
Balance, December 31, 2021	2,897,407	1,155,056	144,376	41,391	3,024	4,241,254
Depreciation	446,826	341,634	60,024	-	4,032	852,516
Transfers	(435,204)	-	-	-	-	(435,204)
Balance, December 31, 2022	2,909,029	1,496,690	204,400	41,391	7,056	4,658,566
Additions	81,851	216,068	69,029	-	3,359	370,307
Disposals	(965)	-	-	-	(10,415)	(11,380)
Balance, December 31, 2023	**2,989,915**	**1,712,758**	**273,429**	**41,391**	**-**	**5,017,493**
Carrying value						
Balance, December 31, 2022	465,648	343,786	157,368	-	13,102	979,904
Balance, December 31, 2023	**381,387**	**118,851**	**90,522**	**-**	**-**	**590,760**

During the year ended December 31, 2023, the Company exercised its purchase option to purchase leased equipment prior to the end of the lease and recorded a gain on lease buyout of $2,496 (2022 - $nil).

During the year ended December 31, 2023, the Company disposed of certain property, plant and equipment assets with a carrying value of $17,853 for gross proceeds of $45,699 resulting in a $27,846 (2022 - $nil) gain on disposals of property, plant and equipment.

During the year ended December 31, 2023, the Company recorded depreciation of $370,307 (2022 - $852,516) consisting of $247,387 (2022 - $417,312) from continuing operations and $122,920 (2022 - $435,203) from discontinued operations (Note 20).

11. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

A summary of the Company's accounts payable and accrued liabilities is as follows:

	2023	2022
	$	$
Accounts payable	**165,255**	207,951
Accrued liabilities	**86,387**	473,879
Accrued interest (Note 15)	**4,537**	-
	256,179	681,830

12. LOAN PAYABLE

Due to the global COVID-19 outbreak, the federal government of Canada introduced the Canada Emergency Benefit Account ("CEBA"). CEBA provides an interest-free loan of $40,000 to eligible businesses. The $40,000 loan was received on May 8, 2020, and will remain interest free until January 18, 2024 with a rate of 5% per annum to be applied from January 19, 2024. Repayment of $30,000 by January 18, 2024 will result in a $10,000 loan forgiveness. On December 31, 2023, the Company repaid $30,000 and recorded $10,000 loan forgiveness as government subsidy.

13. LEASE LIABILITIES

The Company's right-of-use assets are included in property, plant and equipment (Note 10). The imputed financing costs for lease liabilities were determined based on the Company's incremental borrowing rate and finance lease terms available to similar sized natural resource focussed companies, which was estimated to be 11.48% for equipment and 10.96% for buildings.

A summary of the Company's lease liabilities is as follows:

	$
Balance, December 31, 2021	451,493
Leases added	258,301
Payment of lease liabilities	(377,587)
Interest expense	38,574
Balance, December 31, 2022	370,781
Buyout leases	(14,062)
Payment of lease liabilities	(241,822)
Interest expense	8,718
Balance, December 31, 2023	**123,615**
Current portion	**90,696**
Non-current portion	**32,919**

A summary of the Company's future minimum lease payments related to the equipment under finance and land lease is as follows:

	December 31, 2023
	$
2024	99,821
2025	33,675
Total future minimum lease payments	133,496
Effects of discounting	(9,881)
Total present value of minimum lease payments	**123,615**

During the year ended December 31, 2023, the Company purchased office equipment before the end of its lease contract. As a result, the Company recognized a gain on lease buyout of $2,496 (2022 - $nil).

14. CONVERTIBLE NOTES

On March 30, 2023, (the "Closing Date"), the Company issued convertible notes (the "Notes") for total proceeds of $215,200. The Notes bear interest at a rate of 12% per annum and mature 120 days after the date of issue on July 28, 2023, (the "Maturity Date"). The principal amount and accrued interest expense of the Notes are convertible into units of the Company. The details are as follows:

- In the event of a conversion pursuant to the completion of a private placement after the Closing Date and prior to the Maturity Date, the principal balance and accrued interest will convert into units of Company at the price equal to the price of the units issued in the private placement, subject to the same terms and conditions.
- If the Company does not complete a private placement prior to the Maturity Date, the principal balance and accrued interest will automatically convert into units of the Company at a conversion price of $0.08 per unit. Each unit contains one common share and one share purchase warrant exercisable at $0.15 per common share of the Company until March 30, 2024; and at $0.24 per common share of the Company thereafter until March 30, 2025, the expiry date of the warrants.

On December 15, 2023, the Company settled $165,200 of the Notes principal and $13,741 of accrued interest with 3,578,822 units at a price of $0.05 per unit for a total fair value of $178,941. Each unit comprises one common share and one common share purchase warrant. Each warrant entitles the holder to purchase one common share of the Company at an exercise price of $0.10 per share until December 15, 2024 and $0.15 per share thereafter until December 15, 2025, the expiry date of the warrants (Note 16).

On December 15, 2023, the Company entered into agreements with the Notes holders, pursuant to which the remaining balance of the convertible notes of $50,000 were reissued as promissory notes (Note 15).

15. PROMISSORY NOTES

On December 15, 2023, existing convertible notes of $50,000 were reclassified to promissory notes. The promissory notes bear interest at a rate of 12% per annum and mature the earlier of: (i) the Company completing an equity financing of $500,000 or more; or (ii) March 30, 2024.

The Notes have been classified as a financial liability measured at amortized cost and are due on demand. During the year ended December 31, 2023, the promissory notes accrued interest of $4,537 (2022 - $nil) which are included in accounts payable and accrued liabilities (Note 11).

16. SHARE CAPITAL

a) Authorized

Authorized share capital consists of an unlimited number of common shares, without par value.

b) Issued and outstanding

During the year ended December 31, 2023, the Company had the following share capital transactions.

- On December 15, 2023, the Company issued 3,578,822 units at $0.05 per unit, to settle the Notes of $178,941 (Note 14). Each unit comprises one common share and one common share purchase warrant. Each warrant entitles the holder to purchase one common share of the Company at an exercise price of $0.10 per share until December 15, 2024 and $0.15 per share thereafter until December 15, 2025, the expiry date of the warrants. Proceeds were allocated using the residual method and as a result, $161,047 was allocated to share capital and $17,894 was allocated to warrant reserve.
- On December 15, 2023, the Company issued 2,100,000 units at $0.05 per unit, for gross proceeds of $105,000, of which $80,000 was received during the year ended December 31, 2022 and $25,000 was received subsequent to December 31, 2023. Each unit comprises one common share and one common share purchase warrant. Each warrant entitles the holder to purchase one common share of the Company at an exercise price of $0.10 per share until December 15, 2024 and $0.15 per share thereafter until December 15, 2025, the expiry date of the warrants.

Proceeds were allocated using the residual method and as a result, $94,500 was allocated to share capital and $10,500 was allocated to warrant reserve.

16. SHARE CAPITAL (continued)

- During the year ended December 31, 2023, the Company reversed $5,874 of unit issuance costs related to the March 31, 2022 financing.

During the year ended December 31, 2022, the Company had the following share capital transaction:

- On March 31, 2022, the Company closed a non-brokered private placement of 14,232,456 units at a price of $0.25 per unit for gross proceeds of $3,558,114. Each unit consists of one common share of the Company and one common share purchase warrant entitling the holder to purchase one common share of the Company at a price of $0.50 until March 31, 2024. Proceeds were allocated using the residual method and as a result, $3,558,114 was allocated to share capital and $nil was allocated to warrant reserve. In connection with the private placement, the Company paid finder's fees of $59,455 and issued 237,820 compensation warrants valued at $24,144 and incurred $55,534 in other issuance costs. The compensation warrant terms are the same as the share purchase warrants.

c) Stock options

The Company's equity compensation plan ("2020 Plan") was approved by shareholders on November 24, 2020. Per the 2020 Plan, the aggregate number of shares reserved for issuance will not exceed 20% of the Company's issued and outstanding common shares on the date of grant. Options that are exercised, expire or are otherwise terminated for any reason will again be available for the purpose of granting options pursuant to the 2020 Plan. The 2020 Plan allows for options to be issued to directors, officers, employees, consultants or a subsidiary of the Company. Options granted must be exercised no more than five years from the date of grant or such lesser period as may be determined by the Company's board of directors and in accordance with the policies of the CSE. The board of directors determine the time period during which options will vest and the method of vesting, which are subject to the policies of the CSE.

The grant date fair value is calculated using the Black-Scholes option pricing model. Where relevant, the expected life has been adjusted based on management's best estimate for the effects of historical forfeitures and behavioral considerations. Expected volatility is based on the historical share price volatility. For the year ended December 31, 2023, share-based payments recognized in profit or loss were $3,689 (2022 - $438,520).

A summary of the Company's inputs used in the Black Scholes option pricing model for stock options granted in 2023 and 2022 are as follows:

	February 17, 2023	October 25, 2022	June 6, 2022
Share price	$0.07	$0.10	$0.10
Exercise price	$0.15	$0.25	$0.25
Expected life	2 years	2 years	2 years
Risk-free interest rate	3.29%	3.44%	2.98%
Expected volatility	99.62%	95.85%	90.61%
Expected annual dividend yield	-	-	-

A summary of the Company's stock option activity is as follows:

	Number of stock options	**Weighted average exercise price**
	#	$
Balance, December 31, 2021	7,660,000	0.66
Granted	5,925,000	0.25
Expired	(3,600,000)	(0.41)
Balance, December 31, 2022	9,985,000	0.51
Granted	200,000	0.15
Expired	(2,660,000)	1.03
Balance, December 31, 2023	**7,525,000**	**0.52**

16. SHARE CAPITAL (continued)

A summary of the Company's stock options outstanding as at December 31, 2023 is as follows:

Date of expiry	Weighted average exercise price	Number of options outstanding	Weighted average remaining life
	$	#	Years
March 1, 2024 (Note 25)	0.76	1,125,000	0.17
June 6, 2024	0.25	3,700,000	0.43
June 14, 2024	0.96	250,000	0.45
October 25, 2024	0.25	350,000	0.82
December 11, 2024	1.45	600,000	0.95
February 17, 2025	0.15	200,000	1.13
April 24, 2025	0.76	900,000	1.32
October 15, 2025	0.46	400,000	1.79
	0.52	**7,525,000**	**0.65**

d) Warrants

During the year ended December 31, 2023, the Company issued 5,678,822 share purchase warrants through the issuance of 5,678,822 units.

During the year ended December 31, 2022, the Company completed a non-brokered private placement in two tranches and issued a total of 14,232,456 share purchase warrants and 237,820 compensation warrants.

A summary of the Company's warrant activity is as follows:

	Number of warrants	Weighted average exercise price
	#	$
Balance, December 31, 2021	21,210,252	0.58
Issued	14,470,276	0.50
Expired	(21,210,252)	(0.58)
Balance, December 31, 2022	14,470,276	0.50
Issued	5,678,822	0.15
Balance, December 31, 2023	**20,149,098**	**0.40**

A summary of the Company's outstanding warrants as at December 31, 2023, is as follows:

Date of expiry	Weighted average exercise price	Number of warrants outstanding	Weighted average remaining life
	#	$	Years
February 18, 2024 (Note 25)	0.50	13,198,320	0.13
March 31, 2024 (Note 25)	0.50	1,271,956	0.25
December 15, 2025	0.15	5,678,822	1.96
	0.40	**20,149,098**	**0.66**

17. RELATED PARTY TRANSACTIONS

Related parties include directors and key management of the Company and entities controlled by these individuals. Key management personnel consist of senior management including the Chief Executive Officer.

A summary of the Company's related party transactions for the years ended December 31, 2023 and 2022 is as follow:

	2023	2022
	$	$
Consulting fees included in general and administration expense (Note 19)	**150,000**	146,667
Directors' fees included in public company costs (Note 19)	**272,743**	229,181
General and administration	**-**	8,400
Salaries and benefits included in management and employee costs	**472,149**	626,657
Share-based payments	**-**	330,240
	894,892	1,341,145

As at December 31, 2023, the Company had a balance due from related parties of $29,988 (December 31, 2022 - $4,987) included in trade and other receivables (Note 6).

As at December 31, 2023, the Company had a balance due to related parties of $769,431 (December 31, 2022 - $252,498). These amounts are unsecured, non-interest bearing, without specific repayment terms, are due on demand and have been incurred in the normal course of business. All transactions involving related parties are made on terms equivalent to those which prevail with arm's length transactions.

18. GOVERNMENT SUBSIDIES

The National Research Council of Canada Industrial Research Assistance Program provides companies with qualifying research projects with a monthly financial grant based on eligible wage expenses. During the year ended December 31, 2023, the Company recognized $69,542 (2022 - $35,536), in government wage subsidy income as reductions of management and employee costs.

On October 31, 2022, the Company entered into a project funding agreement with the Centre for Excellence in Mining Innovation (CEMI). Pursuant to the agreement, the Company is set to receive funding for eligible costs incurred related to its Gold Recovery Circuit Pilot project. During the year ended December 31, 2023, the Company received funding from CEMI amounting to $389,381 (2022 - $nil) which were recognized as reductions of operating costs, management and employee costs and general and administration.

19. GENERAL AND ADMINISTRATION

A summary of the Company's general and administration expenses for the years ended December 31, 2023 and 2022 is as follows:

	2023	2022
	$	$
Consulting fees	**109,316**	298,653
General and administration	**18,169**	198,367
Professional fees	**146,899**	355,551
Public company costs	**451,717**	433,029
Travel	**11,469**	28,620
	737,570	1,314,220

20. DISCONTINUED OPERATIONS

During the year ended December 31, 2022, the Company discontinued processing E-waste at its EnviroCircuit facility. Consequently, as at December 31, 2022, assets and liabilities allocable to EnviroCircuit were classified as a disposal group. Revenue and expenses, gains and losses relating to the discontinuation of this subgroup have been eliminated from the Company's continuing operations and are shown as a single line item in profit or loss.

A summary of the Company's net loss from discontinued operations for the years ended December 31, 2023 and 2022 is as follows:

	2023	2022
	$	$
Revenue	**94,385**	346,457
Operating costs	**(875)**	(321,762)
Management and employee costs	**(102,984)**	(652,305)
General and administration	**(60,101)**	(399,311)
Depreciation (Note 10)	**(122,920)**	(435,203)
Gain (loss) on disposal of assets held for sale (Note 8)	**161,851**	(164,123)
Write down of assets held for sale (Note 8)	**(57,145)**	(38,276)
Write down of inventory (Note 7)	**(213,140)**	-
	(300,929)	(1,664,523)

During the year ended December 31, 2022, the loss on disposal of asset held for sale included a bad debt expense of $148,000 related to a note receivable that was deemed uncollectible.

A summary of the carrying values of the assets and liabilities in the disposal group is as follows:

	2023	2022
	$	$
Current asset		
Other receivables	**69,006**	
Asset held for sale	**28,800**	1,187,206
Current liabilities		
Accounts payable	**-**	31,069

A summary of cash flows from the discontinued operations for the years ended December 31, 2023, and 2022 is as follows:

	2023	2022
	$	$
Cash flows provided by in operating activities	**231,354**	637,602
Cash flows provided by in investing activities	**1,194,106**	31,200
Cash flows used in financing activities	**(131,349)**	(262,698)
	1,294,111	406,104

21. COMMITMENTS AND CONTINGENCIES

As at December 31, 2023 and December 31, 2022, the Company does not have contractual obligations other than disclosed in the consolidated financial statements.

EnviroMetal commenced a civil action against Regenx Technologies Corp. (formerly “Mineworx Technologies Ltd.”) and related parties (jointly, the “Mineworx Defendants”) in the Supreme Court of British Columbia in June 2021.

The Mineworx Defendants are purporting to be competing with EnviroMetal in the recovery of platinum group metals from spent catalysts using a chemical formula and process based on EnviroMetal's intellectual property without a license to do so from EnviroMetal. These actions by the Mineworx Defendants are in breach of the access agreements, confidentiality agreements, as well as the asset purchase agreement between the Mineworx Defendants and EnviroMetal dated December 19, 2016. These actions constitute a breach of confidence.

In January 2022, the court granted EnviroMetal’s application for an injunction that, amongst other things, prohibits the Mineworx Defendants from disclosing any confidential information or intellectual property belonging to EnviroMetal until further court order.

The Mineworx Defendants dispute EnviroMetal’s claims and commenced a counterclaim against EnviroMetal for, amongst other things, alleged breaches of various agreements between the parties. Some of the Mineworx Defendants’ claims are subject to arbitration clauses. As a result, the Mineworx Defendants served EnviroMetal with a notice to arbitrate those claims.

Prior to commencing the legal action against the Mineworx Defendants, the Company provided the Mineworx Defendants with notices of breach and provided the required amount of time to remedy.

During the year ended December 31, 2021, the Company recognized a contingent liability of $1,089,685. During the year ended December 31, 2023, the Company recognized a recovery on the provision of $1,089,685 due to the unlikelihood of Mineworx Defendant being successful with the ongoing dispute.

22. INCOME TAXES

A summary of the Company’s reconciliation of income taxes at statutory rates for the years ended December 31, 2023 and 2022, is as follows:

	2023	2022
	$	$
Loss before income taxes	**(541,461)**	(3,850,680)
Combined federal and provincial statutory income tax rates	**27%**	27%
Income tax recovery at statutory rates	**(146,000)**	(1,040,000)
Non-deductible expenditures and non-taxable revenues	**(293,000)**	39,000
Non-deductible portion of capital item	**(5,000)**	-
Adjustment to prior years provision versus statutory tax returns	**177,000**	-
Temporary differences originated in the year	**47,000**	-
Change in unrecognized deferred tax assets	**220,000**	1,001,000
Income tax expense	**-**	-

A summary of the Company’s significant components of unrecognized deferred tax assets is as follows:

	2023	2022
	$	$
Deferred income tax assets:		
Non-capital loss carry-forwards and other	**1,000**	-
Right-of-use assets	**(32,000)**	-
Lease liability	**32,000**	-
Foreign exchange	**(1,000)**	-
Net deferred tax assets	**-**	-

22. INCOME TAXES (continued)

The significant components of the Company's temporary differences, unused tax credits and unused tax losses that have not been included on the consolidated financial statements of financial position are as follows:

	2023	**Expiry**	2022	Expiry
	$		$	
Share issuance costs and financing fees	**129,000**	**2022 to 2025**	238,000	2022 to 2025
Non-capital losses	**28,635,000**	**2036 to 2043**	26,682,000	2036 to 2042
Property and equipment	**881,000**	**No expiry date**	1,160,000	No expiry date
Intangible assets	**5,270,000**	**No expiry date**	5,655,000	No expiry date
Lease liability	**5,000**	**No expiry date**	371,000	No expiry date
	34,920,000		34,106,000	

23. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values. The three levels of the fair value hierarchy are:

- 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); and
- Level 3 - inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The Company's financial instruments consist of cash, trade and other receivables (excluding government subsidies and taxes receivable), due to related parties, accounts payable and accrued liabilities and promissory notes. The Company classifies its cash at fair value through profit or loss, trade and other receivables (excluding government subsidies and taxes receivable) and due to related parties at amortized cost. The Company's accounts payable and accrued liabilities and promissory notes are classified at amortized cost.

As at December 31, 2023 and 2022, the carrying value of trade and other receivables, due to related parties, accounts payable and accrued liabilities and promissory notes are approximate their respective fair values because of their short-term nature.

The Company's current business involves consulting for clients, licensing its proprietary technology for the extraction of precious metals for the mining and E-waste industries and select processing of ores and concentrates, which exposes the Company to a variety of financial instrument related risks. These risks include credit risk, liquidity risk and market risk. The Company's board of directors provides oversight for the Company's risk management processes.

a) Credit risk

The Company's credit risk is primarily attributable to cash and trade and other receivables. The Company has no significant concentration of credit risk arising from operations. Cash and guaranteed investment certificates consists of accounts at reputable financial institution, from which management believes the risk of loss to be remote. In Canada, federal deposit insurance covers balances up to $100,000. As at December 31, 2023, management considers the Company's exposure to credit risk is minimal. Aging of trade and other receivables are as disclosed in Note 6.

b) 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 has a planning and budgeting process in place to help determine the funds required to support the Company's normal operating requirements on an ongoing basis. The Company ensures that there are sufficient funds to meet its short-term business requirements, considering its anticipated cash flows from operations and its holdings of cash.

As at December 31, 2023, the Company had a cash balance of $201,281 (2022 - $429,038) to settle current liabilities of $1,166,306 (2022 - $2,345,510). The Company is exposed to liquidity risk.

23. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (continued)

A summary of the Company's contractual undiscounted cash flow requirements as at December 31, 2023, is as follows:

	Less than 1 year	1 to 3 years	Total
	$	$	$
Accounts payable and accrued liabilities	256,179	-	256,179
Due to related parties	769,431	-	769,431
Lease liabilities	99,821	33,675	133,496
Promissory notes	50,000	-	50,000
	1,175,431	**33,675**	**1,209,106**

c) Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return. As at December 31, 2023, the Company is not exposed to significant market risk.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market interest rates. The Company has no financial instruments that are subject to variable interest rates. As at December 31, 2023, the Company is not exposed to interest rate risk.

Foreign currency risk

The Company is exposed to currency risk due to business transactions in foreign countries or currencies. The Company primary transactions are in Canadian dollars and United States dollars. Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

The Company is subject to normal risks including fluctuations in foreign exchange rates. While the Company manages its operations in order to minimize exposure to these risks, it has not entered into any derivatives or contracts to hedge or otherwise mitigate this exposure.

A summary of the Company's financial assets and liabilities that are denominated in US$ is as follows:

	2023	2022
	$	$
Cash	**55,740**	92,095
Accounts payable and accrued liabilities	**(26,255)**	(4,670)
	29,485	87,425

As at December 31, 2023, the Company has determined that a 5% change in US dollars against the Canadian dollar on financial assets and liabilities would result in an increase or decrease of approximately $1,474 for the year ended December 31, 2023 (2022 - $4,371) to net loss and comprehensive loss.

24. CAPITAL MANAGEMENT

The Company's objectives when managing capital are to safeguard the Company’s ability to continue as a going concern, so that it can provide returns for shareholders and benefits for other stakeholders, and to bring its mineral properties to commercial production.

The Company manages its capital structure and makes adjustments to it for changes in economic conditions and the risk characteristics of the underlying assets, being mineral properties.

In order to maintain or adjust its capital structure, the Company may issue new shares through equity offerings or sell assets to fund operations. Management reviews the Company’s capital management approach on a regular basis. The Company is not subject to externally imposed capital requirements.

The Company invests all capital that is surplus to its immediate operational needs in short-term, liquid, and highly-rated financial instruments, such as cash and other short-term guaranteed deposits, all held with major financial institutions. There have not been changes to the Company’s capital management policy during the year.

25. SUBSEQUENT EVENTS

Subsequent to December 31, 2023, the Company received $25,000 of subscription receivable from December 2023 private placement (Note 6).

From February 18, 2024 to March 31, 2024, a total of 1,125,000 stock options with an exercise price of $0.76 and 14,470,276 warrants with an exercise price of $0.50 expired unexercised (Note 16(c)(d)).

SCHEDULE B: MANAGEMENT DISCUSSION AND ANALYSIS

ENVIROMETAL TECHNOLOGIES INC.

Management Discussion and Analysis

For the years ended December 31, 2023 and 2022

MANAGEMENT'S DISCUSSION AND ANALYSIS

This Management's Discussion and Analysis ("MD&A") of EnviroMetal Technologies Inc. ("EnviroMetal" or the "Company") supplements, but does not form part of, the consolidated financial statements and the notes thereto for the years ended December 31, 2023 and 2022 (collectively referred to as hereafter as the ("Financial Statements"). The information contained herein is not a substitute for detailed investigation or analysis on any particular issue. The information provided in this document is not intended to be a comprehensive review of all matters and developments concerning the Company.

The Financial Statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board and interpretations of the International Financial Reporting Interpretations Committee. All amounts are expressed in Canadian dollars unless otherwise stated. Other information contained in this document has been prepared by management and is consistent with the information contained in the Financial Statements.

The Company's certifying officers are responsible for ensuring that the Financial Statements and MD&A do not contain any untrue statement of a material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it was made. The Company's certifying officers certify that the Financial Statements together with the other financial information included in the filings fairly present in all material respects the financial condition, financial performance, and cash flows of the Company as of the date of and for the periods presented in the filings.

In this MD&A, the words "we", "us", or "our", collectively refer to EnviroMetal and its subsidiary. The first, second, third and fourth quarters of the Company's fiscal years are referred to as "Q1", "Q2", "Q3" and "Q4", respectively. The year ended December 31, 2023 and 2022 are referred to as "Fiscal 2023" and "Fiscal 2022", respectively.

The Company's Board of Directors provides an oversight role with respect to all public financial disclosures by the Company.

Management is responsible for the preparation and integrity of the Company's Financial Statements, including the maintenance of appropriate information systems, procedures and internal controls. Management is responsible for ensuring that information disclosed externally, including the information contained within the Company's Financial Statements and MD&A, is complete and reliable.

For a complete understanding of the Company's business environment, risks and uncertainties and the effect of accounting estimates on its results of operations and financial condition, this MD&A should be read together with the Company's Financial Statements.

This MD&A takes into account information available up to the approval of the Financial Statements and MD&A by the Board of Directors on April 22, 2024.

FORWARD-LOOKING STATEMENTS

This MD&A contains certain forward-looking statements and forward-looking information (collectively referred to herein as ("forward looking statements") within the meaning of applicable Canadian securities laws. All statements other than statements of present or historical fact are forward looking statements. Forward looking information is often, but not always, identified by the use of words such as "could", "should", "can", "anticipate", "expect", "believe", "will", "may", "projected", "sustain", "continues", "strategy", "potential", "projects", "grow", "take advantage", "estimate", "well positioned" or similar words suggesting future outcomes. These forward-looking statements include, without limitation, statements about our market opportunity, our strategies, ability to improve and expand our capabilities, competition, expected activities and expenditures as we pursue our business plan, the adequacy of our available cash resources, regulatory compliance, plans for future growth and future operations, the size of our addressable market, market trends, and the effectiveness of the Company's internal control over financial reporting. Although we believe that the expectations reflected in the forward-looking statements are reasonable, we cannot guarantee future results, levels of activity, performance, or achievements.

By their very nature, forward looking statements involve inherent risks and uncertainties (both general and specific) and risks that forward-looking statements will not be achieved. Undue reliance should not be placed on forward looking statements, as a number of important factors could cause the actual results to differ materially from the Company's beliefs, plans, objectives and expectations, including, among other things: general economic and market factors, including business competition, changes in government regulations or in tax laws; the early stage development of the Company and its projects; general political and social uncertainties; commodity prices; the actual results of current research and development or operational activities; changes in project parameters as plans continue to be refined; accidents and other risks inherent in the technology and resource industries; lack of insurance; delay or failure to receive board or regulatory approvals; changes in legislation, including environmental legislation, affecting the Company; timing and availability of external financing on acceptable terms; conclusions of economic evaluations; and lack of qualified, skilled labour or loss of key individuals; commercialization of our technology and products, our status of relationship with partners; development and protection of our intellectual property and products; industry competition; our ability to sell our products and services in order to generate revenues; our proposed business model and our ability to execute thereon; adverse effects on the Company's business and operations as a result of increased regulatory, media or financial reporting issues and practices; rumors or otherwise; disease epidemics and health related concerns; and market or other changes that could result in noncash impairments of our property, plant and equipment. These factors should not be considered exhaustive. Many of these risk factors are beyond the Company's control and each contributes to the possibility that the forward-looking statements will not occur or that actual results, performance, or achievements may differ materially from those expressed or implied by such statements. The impact of any one risk, uncertainty or factor on a particular forward-looking statement is not determinable with certainty as these risks, uncertainties and factors are interdependent and management's future course of action depends upon the Company's assessment of all information available at that time.

Management has included projections and estimates in this MD&A which are based primarily on management's experience in the industry, assessments of our results of operations, discussions, and negotiations with third parties and a review of information filed by our competitors with securities regulators or otherwise publicly available.

In addition, statements that "we believe" and similar statements reflect our beliefs and opinions on the relevant subject. These statements are based upon information available to us as at the date of this MD&A, and while we believe such information forms a reasonable basis for such statements, such information may be limited or incomplete, and our statements should not be read to indicate that we have conducted an exhaustive inquiry into, or review of, all potentially available relevant information. These statements are inherently uncertain, and investors are cautioned not to unduly rely upon these statements.

We caution readers not to place undue reliance on any such forward-looking statements, which speak only as at the date made. We disclaim any obligation subsequently to revise any forward-looking statements to reflect events or circumstances after the date of such statements or to reflect the occurrence of anticipated or unanticipated events.

The forward-looking statements contained herein are expressly qualified in their entirety by this cautionary statement. The forward-looking statements included in this MD&A are made as of the date of this MD&A and the Company does not undertake and is not obligated to publicly update such forward looking statements to reflect new information, subsequent events or otherwise unless so required by applicable securities laws.

NATURE OF BUSINESS

The Company was incorporated under the laws of the province of Alberta on October 16, 2016 and on December 4, 2020, the Company enacted a continuance from the province of Alberta to the province of British Columbia. The Company's offices are located at #208 – 6741 Cariboo Rd., Burnaby, British Columbia, and the records office of the Company is at 1500, 1055 West Georgia St., Vancouver, British Columbia. The Company is listed on the Canadian Securities Exchange (the "CSE") under the symbol ETI and began trading on March 30, 2017. In addition to the listing on the CSE, the Company trades on the OTCQX and Frankfurt Stock Exchange under the symbols EVLL and 7N2, respectively.

The Company's principal business activity is to develop and market technologies for the extraction of precious and other valuable metals from mine products and electronic waste ("E-waste") in a safe, environmentally friendly, and sustainable manner. For the mining industry the Company's technology is appliable to recover gold from ores and concentrates, and in the recycling industry to recover gold and other valuable metals from printed circuit board assemblies and other E-waste.

EnviroMetal's patented metal recovery technology ("EnviroMetal Process") is similar to other hydrometallurgical processes which leach gold, but the Company's proprietary lixiviant and unique process eliminate the use of toxic leaching agents such as sodium cyanide or strong acids and significantly reduces water consumption. EnviroMetal's metal recovery technology targets industry participants seeking an on-site processing solution with low logistics and third-party costs and a reduced environmental impact.

The Company's novel metal recovery technology creates strong differentiation in the marketplace and pending and awarded patents combined with the process knowledge required for use and site optimization create significant barriers for competitors to overcome. The EnviroMetal Process is cost competitive, safe, sustainable, and holds potential for multiple revenue streams. The Company is seeking opportunities to license its technology to companies in the mining and electronics recycling industries.

OVERALL PERFORMANCE

During the year ended December 31, 2022, the Company reviewed opportunities and market positioning in the mining and E-waste industries, EnviroMetal management elected to close the Company's EnviroCircuit E-waste processing facility and focus on consulting and licensing opportunities. During the year ended December 31, 2023, the Company continued to pursue commercial relationships in the primary and secondary metals industries.

Gold Mining

The EnviroMetal Process is the foundation of the Company's technology licensing business model. It provides miners a simple, on-site gold recovery solution which eliminates the need for sodium cyanide or smelting. The EnviroMetal Process incorporates proven technologies in a novel manner to address real challenges facing miners seeking to maximize return on investment while achieving environmental, social, and corporate governance obligations and goals.

Although the EnviroMetal Process addresses financial, operational, permitting, regulatory, risk, and social issues facing gold miners, the industry has historically been resistant to new processes and technologies. Recognizing the size and diverse nature of the gold mining industry, and the challenge of gaining acceptance for a new technology in a conservative industry, the Company's focus is on developing relationships with potential clients most likely to benefit from the Company's innovative technology. The Company believes gaining technical validation will lead to wide acceptance within the gold mining industry.

For miners, the selection of a metal recovery technology is dependent on many factors including total metal recovery, capital costs, operating costs, permitting, site suitability, reliability, ease of use, industry standards and sustainability. As is the case with any metallurgical process, prior to adoption the processing technology must go through a series of progressive tests from lab through pilot scale in order to ensure the compatibility of the technology with the feed material. During the year ended December 31, 2023, EnviroMetal conducted amenability and recovery test work on client samples received from numerous clients and submitted proposals for initial or additional test work to clients.

E-waste

In response to the ongoing challenges in the E-waste industry the Company shifted its E-waste strategy from material processing to consulting and potentially licensing intellectual property to existing and new E-waste processors. EnviroMetal believes this new strategy will be less capital intensive and offer the potential for significantly higher margins than processing E-waste while aligning its E-waste and mining strategies.

During the year ended December 31, 2023, the Company completed the closure of the Company's electronic waste processing facility, EnviroCircuit, and the sale of related equipment and surplus assets. All electronic processing equipment, and related assets at the EnviroCircuit facility in Surrey, BC were sold through direct sales and auction. Any equipment applicable for the continued development of the EnviroMetal Process or for processing gold ores and concentrates were retained and relocated to the Company's primary facility located in Burnaby, BC. For additional information relating to the discontinuance of E-waste processing and closing the EnviroCircuit facility please see Note 20 Discontinued Operations in the Company's Financial Statements.

Revenues

During the year ended December 31, 2023, EnviroMetal recognized consulting revenue of $nil (2022 - $109,763) as well as sale of precious and other metals revenues of $nil (2022 - $3,412,849).

RESULTS OF OPERATIONS

a) Operations

A summary of the Company's results of operations are as follows:

	Q4 2023	Q4 2022	**Fiscal 2023**	Fiscal 2022
	$	$	**$**	$
Revenue				
Consulting revenue	**-**	28,115	**-**	109,763
Sale of precious and other metals (refund)	**-**	(67,780)	**-**	3,412,849
	-	(39,665)	**-**	3,522,612
Operating expenses				
Operating costs (recovery)	**(106,930)**	204,594	**101,938**	3,738,814
Management and employee costs	**4,562**	277,945	**552,094**	1,106,772
General and administration	**111,059**	284,212	**737,570**	1,314,220
Share-based payments	**-**	10,360	**3,689**	438,520
	8,691	777,111	**1,395,291**	6,598,326
Net loss from operations	**(8,691)**	(816,776)	**(1,395,291)**	(3,075,714)
Other income (expenses)				
Depreciation	**(58,465)**	(295,643)	**(247,387)**	(417,312)
Foreign exchange gain (loss)	**4,289**	(12,760)	**3,741**	(18,920)
Gain on disposal of assets held for sale	**-**	9,494	**-**	-
Gain on disposal of plant, property and equipment	**27,846**	-	**27,846**	-
Gain on lease buy-out	**-**	-	**2,496**	-
Interest income	**-**	-	**1,021**	2,803
Interest recovery (expense)	**3,784**	(7,510)	**(33,572)**	(39,872)
Loss on investment in associate	**-**	(2,888)	**-**	(301,665)
Government subsidy	**10,000**	-	**10,000**	-
Reversal of contingent liability	**1,089,685**	-	**1,089,685**	-
	1,077,139	(309,307)	**853,830**	(774,966)
Net income (loss) from continuing operations	**1,068,448**	(1,126,083)	**(541,461)**	(3,850,680)
Net loss from discontinued operations	**(156,105)**	(416,540)	**(300,929)**	(1,664,523)
Net income (loss) and comprehensive loss	**912,343**	(1,542,623)	**(842,390)**	(5,515,203)

Q4 2023 compared to Q4 2022

The Company had income from continuing operations of $1,068,448 compared to loss of $1,126,083 in the prior year comparable period. The primary drivers of this decrease in net loss were as follows:

- Operating costs recovery was $106,930 compared to expense of $204,594 in the prior year comparable period. Operating costs include costs associated with purchasing material for processing, processing related costs including labour, and laboratory costs related to consulting work billed to clients. During the current period operating costs attributable to continuing operations were significantly lower because of not purchasing material for processing and limited consulting work. Additionally, the Company received funding from Centre for Excellence Mining Innovation ("CEMI") of $93,317 (2022 - $nil) as reductions for qualified operating costs.

- Management and employee costs were $4,562 compared to $277,945 in the prior year comparable period. The reduction in employee related costs reflects adjustments to staffing levels in response to discontinued operations at EnviroCircuit and difficult financial markets. Additionally, the Company received wage subsidies from Industrial Research Assistance Program ("IRAP") of $42,112 and from CEMI of $135,775 (2022 - $nil) to support ongoing research programs.

- General and administrative was $111,059 compared to $284,212 in the prior year comparable period due to the Company outsourcing accounting in response to reduced activity levels following the closures of EnviroCircuit, and a reduction in legal and consultant costs in the current period compared to the comparable period in 2022. Additionally, the Company received funding from CEMI of $160,289 (2022 - $nil) as reductions for qualified general and administrative costs.

- Depreciation was $58,465 compared to $295,643 in the prior year comparable period due to a higher balance of right-of-use assets were in use during the prior year comparable period.

- Gain on disposal of assets held for sale was $nil compared to $9,494 in the prior year comparable period. Gain or loss on disposal of assets held for sale during Q4 2023 were included in the loss from discontinued operations.

- Gain on disposal of property, plant and equipment was $27,846 compared to $nil in the prior year comparable period. The Company did not have any disposals of property, plant and equipment in the prior year comparable period.

- Other income of $10,000 compared to $nil in the prior year comparable period. The Company recognized $10,000 of loan forgiveness as a result of repayment of the loan provided by Canada Emergency Benefit Account ("CEBA") during Q4 2023.

- Reversal of provision of $1,089,685 compared to $nil in the prior year comparable period due to the unlikelihood of Regenx Technologies Corp. (formerly Mineworx Technologies Ltd., "Mineworx") being successful with the ongoing dispute between the Company and Mineworx.

Fiscal 2023 compared to Fiscal 2022

The Company had a loss from continuing operations of $541,461 compared to $3,850,680 in the prior year comparable period. The primary drivers of this decrease in net loss were as follows:

- Operating costs were $101,938 compared to $3,738,814 in the prior year. Operating costs include costs associated with purchasing material for processing, processing related costs including labour, and laboratory costs related to consulting work billed to clients. During the current period operating costs attributable to continuing operations were significantly lower because of not purchasing material for processing and limited consulting work. Additionally, the Company received funding from CEMI of $93,317 (2022 - $nil) as reductions for qualified operating costs.

- Management and employee costs were $552,094 compared to $1,106,772 in the prior year. The decrease in employees related costs reflects reduced staffing levels attributable to the close EnviroCircuit, and the increased focus on innovation and research which is influenced by wage subsidies from IRAP of $69,542 (2022 - $35,536) and from CEMI of $135,775 (2022 - $nil) to support ongoing research programs.

- General and administrative was $737,570 compared to $1,314,220 in the prior year due to the Company outsourcing accounting and other functions in the current period, the reduced use of outside consultants, and lower legal costs particularly those associated with the injunction against Mineworx Technologies Inc. and a private placement completed in March 2022 in the prior year. Additionally, the Company received funding from CEMI of $160,289 (2022 - $nil) as reductions for qualified general and administrative costs.

- Share-based payments were $3,689 compared to $438,520 in the prior year due to fewer vesting stock options in the current year.

- Depreciation was $247,387 compared to $417,312 in the prior year due to a higher balance of right-of-use assets were in use during the prior year.

- Gain on disposal of property, plant and equipment was $27,846 compared to $nil in the prior year. The Company did not have any disposals of property, plant and equipment in the prior year.

- Loss on investment in associate was $nil compared to $301,665 in the prior year. The prior period loss is related to investment in Group 11, an entity over which the Company had significant influence in Fiscal 2022. The Company wrote off the investment during the year ended December 31, 2022.
- Government subsidy of $10,000 compared to $nil in the prior year. The Company recognized $10,000 of loan forgiveness as a result of repayment of the loan provided by CEBA during the current year.
- Reversal of provision of $1,089,685 compared to $nil in the prior year due to the unlikelihood of Mineworx being successful with the ongoing dispute between the Company and Mineworx.

Offsetting the decrease in net loss and comprehensive loss was decrease in revenue to $nil from $3,522,612 in the prior year. The Company had revenue from processing mining materials for clients and licensing and consulting work for mining clients in the prior year.

b) Discontinued operations

A summary of the Company's result of discontinued operations is as follows:

	Q4 2023	Q4 2022	**Fiscal 2023**	Fiscal 2022
	$	$	**$**	$
Revenue (refund)	**969**	(24,220)	**94,385**	346,457
Operating costs	**-**	-	**(875)**	(321,762)
Management and employee costs	**-**	(140,105)	**(102,984)**	(652,305)
General and administrative expenses	**-**	(101,947)	**(60,101)**	(399,311)
Depreciation	**-**	31,604	**(122,920)**	(435,203)
Gain (loss) from disposal of assets held for sale	**57,606**	(143,596)	**161,851**	(164,123)
Write-down of assets	**(1,540)**	(38,276)	**(57,145)**	(38,276)
Write-down of inventory	**(213,140)**	-	**(213,140)**	-
Net loss from discontinued operations	**(156,105)**	(416,540)	**(300,929)**	(1,664,523)

During the year ended December 31, 2022, the loss on disposal of asset held for sale included a bad debt expense of $148,000 related to a note receivable that was deemed uncollectible.

The decrease in net loss of the current fiscal period compared to the prior period is a result of ceasing operations at EnviroCircuit prior to the start of Fiscal 2023.

SUMMARY OF QUARTERLY RESULTS

The following summarized financial data has been prepared in accordance with IFRS. This data should be read in conjunction with the Company's interim consolidated financial statements, and it consolidated annual financial statements for the respective periods. All net loss figures in the table are presented in Canadian dollars, the Company's functional currency.

A summary of the Company's summary of quarterly results are as follows:

	Q4 2023	Q3 2023	Q2 2023	Q1 2023
	$	$	$	$
Revenue	**-**	-	-	-
Net income (loss) and comprehensive income (loss)	**912,343**	(471,134)	(543,840)	(739,759)
Net income (loss) per share, basic and diluted	**0.01**	(0.00)	(0.01)	(0.01)

	Q4 2022	Q3 2022	Q2 2022	Q1 2022
	$	$	$	$
Revenue (refund)	(39,665)	40,068	10,500	3,511,709
Net loss and comprehensive loss	(1,542,623)	(815,954)	(1,925,165)	(1,231,461)
Net loss per share, basic and diluted	(0.02)	(0.01)	(0.02)	(0.01)

The Company has yet to achieve consistent revenues from consulting and licensing activities or material processing, and therefore has un-predictable cashflows from these activities. Although EnviroMetal continues to pursue E-waste consulting and licensing opportunities, the Company's primary focus is on mining related activities where projected margins are substantially higher, and risks are lower. EnviroMetal believes it will achieve consistent and increasing revenue over time by providing technical solutions which allow clients to unlock additional value in their operations. Negative revenues in periods reflect the impact of changing metal prices and exchange rates between sales estimate and final sale.

LIQUIDITY AND CAPITAL RESOURCES

As at December 31, 2023, the Company had $201,281 in cash (December 31, 2022 - $429,038) and working capital deficit of $615,212 (December 31, 2022 - $379,764). The decrease in working capital is primarily attributable to expenditures related to the closure of EnviroCircuit, general operating costs, and a reduction in assets held for sale.

A summary of the Company's contractual undiscounted cash flow requirements as at December 31, 2023, is as follows:

	< 1 year	**1 - 3 years**	**Total**
	$	$	$
Accounts payable and accrued liabilities	256,179	-	256,179
Due to related parties	769,431	-	769,431
Lease liabilities	99,821	33,675	133,496
Promissory notes	50,000	-	50,000
	1,175,431	**33,675**	**1,209,106**

Liquidity Outlook

The Company generates limited cash flows and is reliant on raising equity to fund working capital, research and development. The Company raises money through the sale of equity and from the exercise of convertible securities. Many factors influence the Company's ability to raise funds, including the health of the capital markets, the Company's track record, and the experience and calibre of its management. Actual funding requirements may vary from those planned due to several factors, including technology development costs, government and other external funding, business opportunities, and revenues from consulting and licensing activities.

Management currently follows a policy of raising only enough capital to carry out its near-term plans. This policy is intended to minimize share dilution by raising capital when the stock price is at higher levels. Management is encouraged by improving equity markets for innovative and green mining technologies and anticipates seeking additional sources of funding prior to the end of the fiscal year. Given volatility in equity markets, global economic uncertainty, and cost pressures there can be no certainty equity funding will be available to the Company or if available funding will be on acceptable terms. Management believes it will be able to raise equity capital as required but recognizes that there will be risks which may be beyond its control.

Capital Commitments

As at December 31, 2023, the Company did not have contractual obligations other than those disclosed in its Financial Statements. The Company expects that any property and equipment expenditures incurred, based on future needs, will be funded from working capital and/or from operating or capital leases.

Capital Resources

The Company may not have sufficient capital to cover its anticipated administrative overhead expenses for the next 12 months. To continue developing its technology and pursue licensing opportunities, EnviroMetal may be required to raise additional capital, and if capital is not available the Company will have to delay some planned activities and expenditures.

During the year ended December 31, 2023, the Company issued convertible notes for total proceeds of $215,200 and closed a non-brokered private placement of 2,100,000 units at $0.05 per unit for gross proceeds of $105,000.

RELATED PARTY TRANSACTIONS

Related parties include directors and key management of the Company and entities controlled by these individuals. Key management personnel consist of senior management including the Chief Executive Officer.

A summary of the Company's related party transactions is as follows:

	Fiscal 2023	Fiscal 2022
	$	$
Consulting fees included in general and administration expense	**150,000**	146,667
Directors' fees included in public company costs	**272,743**	229,181
General and administration	**-**	8,400
Salaries and benefits included in management and employee costs	**472,149**	626,657
Share-based payments	**-**	330,240
	894,892	1,341,145

As at December 31, 2023, the Company had balance due from related parties of $29,988 (December 31, 2022 - $4,987) included in trade and other receivables.

As at December 31, 2023, the Company had a balance due to related parties of $769,431 (December 31, 2022 - $252,498). These amounts are unsecured, non-interest bearing, without specific repayment terms, are due on demand and have been incurred in the normal course of business. All transactions involving related parties are made on terms equivalent to those which prevail with arm's length transactions.

PROPOSED TRANSACTIONS

The Company continually reviews potential merger, acquisition, investment, and other joint agreement and strategic transactions that could enhance shareholder value. However, as of the date of this MD&A, there are no proposed transactions currently under examination.

MATERIAL ACCOUNTING POLICIES

The Financial Statements for the years ended December 31, 2023 and 2022 have been prepared in accordance with IFRS as issued by the IASB. The Company's material accounting policies are described in Note 3 of the Financial Statements.

FINANCIAL INSTURMENTS AND RISK MANAGEMENT

Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values. The three levels of the fair value hierarchy are:

- 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); and
- Level 3 - inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The Company's financial instruments consist of cash, trade and other receivables (excluding government subsidies and taxes receivable), due to related parties, accounts payable and accrued liabilities and promissory notes. The Company classifies its cash at fair value through profit or loss, trade and other receivables (excluding government subsidies and taxes receivable) and due to related parties at amortized cost. The Company's accounts payable and accrued liabilities and promissory notes are classified at amortized cost.

As at December 31, 2023 and 2022, the carrying value of trade and other receivables, due to related parties, accounts payable and accrued liabilities and promissory notes are approximate their respective fair values because of their short-term nature.

The Company’s current business involves consulting for clients, licensing its proprietary technology for the extraction of precious metals for the mining and E-waste industries and select processing of ores and concentrates, which exposes the Company to a variety of financial instrument related risks. These risks include credit risk, liquidity risk and market risk. The Company’s board of directors provides oversight for the Company’s risk management processes.

a) Credit risk

The Company's credit risk is primarily attributable to cash and trade and other receivables. The Company has no significant concentration of credit risk arising from operations. Cash and guaranteed investment certificates consists of accounts at reputable financial institution, from which management believes the risk of loss to be remote. In Canada, federal deposit insurance covers balances up to $100,000. As at December 31, 2023, management considers the Company’s exposure to credit risk is minimal.

b) 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 has a planning and budgeting process in place to help determine the funds required to support the Company’s normal operating requirements on an ongoing basis. The Company ensures that there are sufficient funds to meet its short-term business requirements, considering its anticipated cash flows from operations and its holdings of cash.

As at December 31, 2023, the Company had a cash balance of $201,281 (December 31, 2022 - $429,038) to settle current liabilities of $1,166,306 (December 31, 2022 - $2,345,510). The Company is exposed to liquidity risk.

c) Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Company’s income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return. As at December 31, 2023, the Company is not exposed to significant market risk.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market interest rates. The Company has no financial instruments that are subject to variable interest rates. As at December 31, 2023, the Company is not exposed to interest rate risk.

Foreign currency risk

The Company is exposed to currency risk due to business transactions in foreign countries or currencies. The Company primary transactions are in Canadian dollars and United States dollars. Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

The Company is subject to normal risks including fluctuations in foreign exchange rates. While the Company manages its operations in order to minimize exposure to these risks, it has not entered into any derivatives or contracts to hedge or otherwise mitigate this exposure.

A summary of the Company’s financial assets and liabilities that are denominated in US$ is as follows:

	December 31, 2023	December 31, 2022
	$	$
Cash	**55,740**	92,095
Accounts payable and accrued liabilities	**(26,255)**	(4,670)
	29,485	87,425

RISKS AND UNCERTAINTIES

The risks and uncertainties described in this section are not inclusive of all risks and uncertainties to which the Company may be subject.

Early Stage - Need for Additional Funds

The Company has no history of profitable operations, and its present business is at an early stage. As such, the Company is subject to many risks common to such enterprises, including under-capitalization, cash shortages and limitations with respect to personnel, financial and other resources and the lack of revenues. There is no assurance that the Company will be successful in achieving a return on shareholders' investment and the likelihood of success must be considered in light of its early stage of operations.

Technology Risk

The Company's technology has yet to be proven beyond pilot scale. Although the technology has demonstrated the ability to scale without any degradation in performance, until such time as the technology is successfully deployed on a large commercial scale there remains the risk the technology may face limits to scalability. The Company's technology competes with other metal recovery technologies, some of which are more established.

Environmental Risk

Environmental laws and regulations may affect the operations of EnviroMetal. These laws and regulations set various standards regulating certain aspects of health and environmental quality. They provide for penalties and other liabilities for the violation of such standards and establish, in certain circumstances, obligations to rehabilitate current and former facilities and locations where operations are or were conducted. Furthermore, the permission to operate could be withdrawn temporarily where there is evidence of serious breaches of health and safety, or even permanently in the case of extreme breaches. Significant liabilities could be imposed on the Company for damages, clean-up costs or penalties in the event of certain discharges into the environment, environmental damages caused by previous owners of acquired properties or non-compliance with environmental laws or regulations. The Company intends to minimize these risks by taking steps to ensure compliance with environmental, health and safety laws and regulations and operating to international environmental standards.

Price Risk

The market price of precious metals and other minerals is volatile and cannot be controlled.

Dependence on Key Personnel

The Company is very dependent upon the personal efforts and commitment of its existing management. To the extent that management's services would be unavailable for any reason, a disruption to the operations of the Company could result, and other persons would be required to manage and operate the Company.

Competitive Risk

The extractive metals industry is intensely competitive in all its phases. The Company competes with many other metal recovery technology companies who have greater financial resources and technical capacity.

NATURE OF SECURITIES

The purchase of the Company's securities involves a high degree of risk and should be undertaken only by investors whose financial resources are sufficient to enable them to assume such risks. The Company's securities should not be purchased by persons who cannot afford the possibility of the loss of their entire investment. Furthermore, an investment in the Company's securities should not constitute a major portion of an investor's portfolio.

OFF-BALANCE SHEET ARRANGEMENTS

The Company has not entered into any off-balance sheet arrangements.

DISCLOSURE OF OUTSTANDING SHARE DATA

A summary of the Company's common share data is as follows:

	December 31, 2023	Date of the MD&A
	#	#
Common shares issued and outstanding	**113,607,280**	113,607,280
Stock options	**7,525,000**	6,400,000
Warrants	**20,149,098**	5,678,822

COMMITMENTS AND CONTINGENCIES

As at December 31, 2023 and 2022, the Company does not have contractual obligations other than disclosed in the Financial Statements.

EnviroMetal commenced a civil action against Regenx Technologies Corp. (formerly "Mineworx Technologies Ltd.") and related parties (jointly, the "Mineworx Defendants") in the Supreme Court of British Columbia in June 2021.

The Mineworx Defendants are purporting to be competing with EnviroMetal in the recovery of platinum group metals from spent catalysts using a chemical formula and process based on EnviroMetal's intellectual property ("IP") without a license to do so from EnviroMetal. These actions by the Mineworx Defendants are in breach of the access agreements, confidentiality agreements, as well as the asset purchase agreement between Mineworx and EnviroMetal dated December 19, 2016. These actions constitute a breach of confidence.

EnviroMetal is seeking, among other relief from the court, general, aggravated, and punitive damages against the Mineworx Defendants, an injunction prohibiting the Mineworx Defendants from using any confidential information or intellectual property belonging to EnviroMetal, and disgorgement of profit arising from such unauthorized use.

In January 2022, the court granted EnviroMetal's application for an injunction that, amongst other things, prohibits the Mineworx Defendants from disclosing any confidential information or intellectual property belonging to EnviroMetal until further court order.

Mineworx disputes EnviroMetal's claims and has commenced a counterclaim against EnviroMetal for, amongst other things, alleged breaches of various agreements between the parties. Some of Mineworx's claims are subject to arbitration clauses. As a result, Mineworx has served EnviroMetal with a notice to arbitrate those claims.

Prior to commencing the legal action against Mineworx, the Company provided the Mineworx Defendants with notices of breach and provided the required amount of time to remedy.

During the year ended December 31, 2022, the Company recognized a provision of $1,089,685. During the year ended December 31, 2023, the Company recognized a recovery on the provision of $1,089,685 due to the unlikelihood of Mineworx Defendant being successful with the ongoing dispute.

Other than obligations disclosed in the Financial Statements and elsewhere in this MD&A, the Company does not have any commitments.

SUBSEQUENT EVENTS

Subsequent to December 31, 2023, the Company received $25,000 of subscription receivable from December 2023 private placement.

From February 18, 2024 to March 31, 2024, a total of 1,125,000 stock options with an exercise price of $0.76 and 14,470,276 warrants with an exercise price of $0.50 expired unexercised.

Certificate Of Compliance

The undersigned hereby certifies that:

1. The undersigned is a director and/or senior officer of the Issuer and has been duly authorized by a resolution of the board of directors of the Issuer to sign this Annual Listing Summary.

2. As of the date hereof there is no material information concerning the Issuer which has not been publicly disclosed.

3. The undersigned hereby certifies to the Exchange that the Issuer is in compliance with the requirements of applicable securities legislation (as such term is defined in National Instrument 14-101) and all Exchange Requirements (as defined in CNSX Policy 1).

4. All of the information in this Form 5 Quarterly Listing Statement is true.

Dated May 4, 2023.

Wayne Moorhouse .
Name of Director or Senior Officer

/s/ Wayne Moorhouse .
Signature

President and CEO .
Official Capacity

Issuer Details Name of Issuer **EnviroMetal Technologies Inc.**	For Year Ended **2023**	Date of Report YY/MM/D **24/04/25**
Issuer Address 208 – 6741 Cariboo Rd		
City/Province/Postal Code Burnaby, British Columbia	Issuer Fax No. ( )	Issuer Telephone No. 604-428-2400
Contact Name Jason Leikam	Contact Position VP Business Development	Contact Telephone No. 604-428-2400 ext 104
Contact Email Address Jason@envirometal.com	Web Site Address https://envirometal.com	