



Corsa Coal Corp.
Unaudited Condensed Interim Consolidated Financial Statements
March 31, 2024 and 2023

Corsa Coal Corp.
Unaudited Condensed Interim Consolidated Balance Sheets
Expressed in United States dollars, tabular amounts in thousands

Assets	March 31, 2024	December 31, 2023
Cash	\$ 9,089	\$ 11,370
Accounts receivable (note 3)	10,458	14,172
Prepaid expenses and other current assets	2,200	2,915
Inventories, net (note 4)	9,519	7,448
Current Assets	31,266	35,905
Restricted cash and investments (note 5)	49,740	45,857
Advance royalties and other assets	5,159	6,281
Property, plant and equipment, net (note 6)	101,203	103,238
Total Assets	\$ 187,368	\$ 191,281
Liabilities		
Accounts payable and accrued liabilities (note 7)	\$ 18,601	\$ 15,989
Recourse obligation (note 7)	1,887	—
Lease liabilities – current (note 8)	1,475	1,507
Loan payable – current (note 9)	3,000	—
Other liabilities – current (note 10)	4,705	3,972
Reclamation and water treatment provision – current (note 11)	4,527	4,527
Current Liabilities	34,195	25,995
Loans payable, net – long-term (note 9)	13,598	16,562
Lease liabilities – long-term (note 8)	3,238	3,595
Other liabilities – long-term (note 10)	4,669	4,774
Reclamation and water treatment provision – long-term (note 11)	54,293	54,825
Total Liabilities	109,993	105,751
Shareholders' Equity		
Share capital (note 12)	225,221	225,221
Contributed surplus	640	604
Accumulated deficit	(148,486)	(140,295)
Total Shareholders' Equity	77,375	85,530
Total Liabilities and Shareholders' Equity	\$ 187,368	\$ 191,281

Commitments and Contingencies (note 22)

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

Approved by the Board of Directors:

/s/ Ronald G. Stovash
Ronald G. Stovash, Director

/s/ Alan M. De'Ath
Alan M. De'Ath, Director

Corsa Coal Corp.

Unaudited Condensed Interim Consolidated Statements of Operations and Comprehensive Income (Loss)

Expressed in United States dollars, tabular amounts in thousands except for per share amounts

	For the three months ended	
	March 31,	
	2024	2023
Revenue (note 13)	\$ 35,988	\$ 47,945
Cost of sales (note 14)	(41,710)	(41,973)
Gross (loss) margin	(5,722)	5,972
Selling, general and administrative expense (notes 15 and 16)	(2,330)	(2,241)
(Loss) income from operations	(8,052)	3,731
Finance expense (note 17)	(2,323)	(2,629)
Finance income (note 17)	4	3
Gain on restricted investments (note 17)	2,135	529
Other income, net (note 18)	45	294
(Loss) income before tax	(8,191)	1,928
Current income tax expense	—	—
Deferred income tax expense	—	—
Provision for income taxes	—	—
Net and comprehensive (loss) income	\$ (8,191)	\$ 1,928
Basic (loss) earnings per share (note 19)	\$ (0.08)	\$ 0.02
Diluted (loss) earnings per share (note 19)	\$ (0.08)	\$ 0.02

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

Corsa Coal Corp.

Unaudited Condensed Interim Consolidated Statements of Changes in Shareholders' Equity
Expressed in United States dollars, tabular amounts in thousands

	For the three months ended March 31, 2024				Total
	Number of Corsa Common Shares (000's)	Share Capital	Contributed Surplus	Accumulated Deficit	
Balance - January 1, 2024	103,769	\$ 225,221	\$ 604	\$ (140,295)	\$ 85,530
Stock-based compensation expense (note 16)	—	—	36	—	36
Stock option exercise	33	—	—	—	—
Net and comprehensive loss	—	—	—	(8,191)	(8,191)
Balance - March 31, 2024	<u>103,802</u>	<u>\$ 225,221</u>	<u>\$ 640</u>	<u>\$ (148,486)</u>	<u>\$ 77,375</u>

	For the three months ended March 31, 2023				Total
	Number of Corsa Common Shares (000's)	Share Capital	Contributed Surplus	Accumulated Deficit	
Balance - January 1, 2023	103,275	\$ 225,091	\$ 834	\$ (164,317)	\$ 61,608
Stock-based compensation expense (note 16)	—	—	62	—	62
Stock option forfeiture	—	—	(63)	63	—
Net and comprehensive income	—	—	—	1,928	1,928
Balance - March 31, 2023	<u>103,275</u>	<u>\$ 225,091</u>	<u>\$ 833</u>	<u>\$ (162,326)</u>	<u>\$ 63,598</u>

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

Corsa Coal Corp.
Unaudited Condensed Interim Consolidated Statements of Cash Flows
Expressed in United States dollars, tabular amounts in thousands

	For the three months ended	
	March 31,	
	2024	2023
Operating Activities		
Net and comprehensive (loss) income	\$ (8,191)	\$ 1,928
Items not affecting cash:		
Amortization	4,270	2,708
Stock-based compensation expense (note 16)	36	62
Non-cash finance expense, net	(1,462)	251
Other non-cash operating expense (income) and gain (loss) on restricted investments	186	402
Cash spent on reclamation and water treatment activities (note 11)	(1,127)	(1,243)
Changes in working capital balances related to operations (note 20)	7,801	(1,669)
Cash provided by operating activities	1,513	2,439
Investing Activities		
Restricted cash and investments acquired	(2,053)	(773)
Advance royalties and other assets	(286)	(444)
Property, plant and equipment additions	(1,066)	(1,479)
Cash used in investing activities	(3,405)	(2,696)
Financing Activities		
Repayment of loan payable	—	(977)
Repayment of lease liabilities	(389)	(352)
Cash used in financing activities	(389)	(1,329)
Net decrease in cash for the period	(2,281)	(1,586)
Cash, beginning of period	11,370	7,028
Cash, end of period	\$ 9,089	\$ 5,442

Supplemental disclosure (note 20)

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

1. Basis of Presentation and Nature of Operations

Nature of Operations

Corsa Coal Corp. (“Corsa” or the “Company”) is in the business of mining, processing and selling metallurgical coal, as well as exploring, acquiring and developing resource properties that are consistent with its existing coal business. The Company is a corporation existing under the *Canada Business Corporations Act* and is domiciled in Canada. The registered office of Corsa is located at 199 Bay Street, Suite 5300, Commerce Court West, Toronto, Ontario, Canada, M5L 1B9, and the head/corporate office of Corsa is located at 1576 Stoystown Road, P.O. Box 260, Friedens, Pennsylvania, USA, 15541.

These unaudited condensed interim consolidated financial statements were prepared on a going concern basis. The going concern basis assumes that the Company will be able to realize its assets and discharge its liabilities and commitments in the normal course of business as they become due in the foreseeable future.

Unless otherwise indicated, all dollar amounts in these unaudited condensed interim consolidated financial statements are expressed in United States dollars. References to “C\$” are to Canadian dollars.

At March 31, 2024, the Company had one operating division, Northern Appalachia (“NAPP Division” or “NAPP”). The NAPP Division, based in Somerset, Pennsylvania, USA, produces and sells low volatile metallurgical coal used for the production of coke from its mines in the Northern Appalachia coal region of the USA. The Company’s corporate office provides support and manages the mining investments, and is also deemed a reportable segment.

All scientific and technical information contained in these unaudited condensed interim consolidated financial statements has been reviewed and approved by David E. Yingling, Professional Engineer and the Company’s mining engineer, who is a qualified person within the meaning of National Instrument 43-101 – *Standards of Disclosure for Mineral Projects*.

Statement of Compliance

These unaudited condensed interim consolidated financial statements of the Company and its subsidiaries have been prepared in accordance with International Financial Reporting Standard – 34 *Interim Financial Reporting*, as issued by the International Accounting Standards Board (“IASB”), and do not include all of the information required for full annual financial statements. The Company has consistently applied the same accounting policies throughout all periods presented.

These unaudited condensed interim consolidated financial statements are intended to be read in conjunction with the Company’s audited consolidated financial statements for the year ended December 31, 2023 and the related notes thereto.

These unaudited condensed interim consolidated financial statements were authorized by the Board of Directors of the Company on May 29, 2024.

Basis of Measurement

These unaudited condensed interim consolidated financial statements have been prepared on a historical cost basis except for certain financial assets and liabilities which are measured at fair value.

Future accounting pronouncements

Certain amendments to existing standards issued by the IASB may impact the Company's financial statements for accounting periods after January 1, 2024. Updates that are not applicable or are not consequential to the Company have been excluded.

2. Financial Instruments

The Company's financial instruments consist of cash, restricted cash and investments, accounts receivable, accounts payable and accrued liabilities, recourse obligation, lease liabilities, loan payable in connection with the Main Street Facility (as defined below) and other liabilities.

Financial risk management

The Company is exposed, in varying degrees, to a variety of financial instrument related risks as described below.

Credit Risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and financial institutions. These deposit accounts are held with high credit quality institutions in Canada and the United States. Restricted cash consists of cash, money market accounts and certificates of deposit. Restricted investments consist of interest-bearing securities invested with highly rated financial institutions.

Customer credit risk is managed by the Company's established policy, procedures and controls relating to customer credit risk management. The Company trades only with recognized creditworthy third parties who are subject to credit verification procedures, and often times are backed by letters of credit or trade credit insurance. In addition, outstanding receivable balances are regularly monitored on an ongoing basis. The Company has not recorded any allowance for credit losses for the three months ended March 31, 2024 and 2023.

At March 31, 2024 and December 31, 2023, the Company had four and five customers, respectively, that owed the Company more than \$1,000 each and accounted for approximately 97% and 92%, respectively, of total accounts receivable. At March 31, 2024 and December 31, 2023, 76% and 62%, respectively, of the Company's accounts receivables were covered by letters of credit or other forms of credit insurance.

Market Risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk, and other price risk, such as equity price risk and commodity risk. Financial instruments affected by market risk include the Main Street Facility and restricted cash and investments.

Commodity Risk

The value of the Company's mineral properties is related to the price of metallurgical coal and the outlook for this commodity, which is beyond the control of the Company.

Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. At March 31, 2024, the Company had a consolidated unrestricted cash balance of \$9,089 and consolidated working capital deficit of \$2,929. The future operations of the Company are dependent on the continued generation of positive cash flows from operations which in turn is dependent on the future demand and price for metallurgical coal. The Company plans to utilize expected operating cash flows to service the Company's debt obligations.

Corsa Coal Corp.
Notes to Unaudited Condensed Interim Consolidated Financial Statements
For the three months ended March 31, 2024 and 2023
Expressed in United States dollars, amounts in thousands except for shares and per share amounts

If cash flows from operations are less than required, the Company may need to incur additional debt or issue additional equity. From time-to-time, the Company may need to access the long-term and short-term capital markets to obtain financing. Although the Company believes it can currently finance its operations on acceptable terms and conditions, the Company's access to, and the availability of, financing on acceptable terms and conditions in the future will be affected by many factors, including the liquidity of the overall capital markets, the current state of the global economy and restrictions in the Company's existing debt agreements and any other future debt agreements. There can be no assurance that the Company will have or continue to have access to the capital markets on acceptable terms.

The Company's commitments based on contractual terms are as follows:

	Carrying Value at Mar. 31, 2024	Payments due by period				
		Total	Less Than	1 to	4 to	After 5
			1 Year	3 Years	5 Years	Years
Accounts payable and accrued liabilities	\$ 18,601	\$ 18,601	\$ 18,601	\$ —	\$ —	\$ —
Recourse obligation	1,887	\$ 1,887	1,887	—	—	—
Lease liabilities	4,713	4,713	1,475	2,437	801	—
Loan payable - Main Street Facility	16,598	16,846	3,000	13,846	—	—
Other liabilities	9,374	9,374	4,705	2,716	1,953	—
Asset retirement obligations - reclamation	44,780	44,780	3,661	11,263	7,872	21,984
Asset retirement obligations - water treatment	14,040	14,040	866	1,691	1,639	9,844
Purchase order firm commitments	—	6,249	3,204	3,045	—	—
Minimum royalty commitments	—	2,586	862	1,724	—	—
Reclamation bond restricted cash deposits	—	6,395	1,500	3,000	1,895	—
Total	\$ 109,993	\$ 125,471	\$ 39,761	\$ 39,722	\$ 14,160	\$ 31,828

Fair Value

The estimated fair values of all financial instruments approximate their respective carrying values except for the loan payable in connection with the Main Street Facility. The loan payable is carried at amortized cost and the carrying amount and fair value is presented below:

	March 31, 2024		December 31, 2023	
	Carrying		Carrying	
	Amount	Fair Value	Amount	Fair Value
Loan payable - Main Street Facility	\$ 16,598	\$ 16,320	\$ 16,562	\$ 16,191

The fair value of the loan payable was determined by discounting the future contractual cash flows at a discount rate that represents an approximation of the borrowing rates presently available to the Company. At March 31, 2024 and December 31, 2023, the discount rate for the Main Street Facility was 11.6%. Management's estimate of the fair value of the loan payable is classified as Level 2 in the fair value hierarchy, as explained below.

Fair value hierarchy

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an ordinary transaction between market participants at the measurement date.

The fair value hierarchy categorizes into three levels the inputs in valuation techniques used to measure fair value. The fair value hierarchy gives the highest priority to quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1 inputs) and the lowest priority to unobservable inputs (Level 3 inputs).

Corsa Coal Corp.
Notes to Unaudited Condensed Interim Consolidated Financial Statements
For the three months ended March 31, 2024 and 2023
Expressed in United States dollars, amounts in thousands except for shares and per share amounts

Level 1 inputs are quoted market prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.

Level 2 inputs are those other than quoted market prices in active markets, which are observable for the asset or liability, either directly or indirectly, such as inputs derived from market prices.

Level 3 inputs are unobservable inputs for the asset or liability.

The following table provides an analysis of the Company's financial instruments that are measured subsequent to initial recognition at fair value, grouped into Level 1 to 3 based on a degree to which the inputs used to determine the fair value are observable.

	<u>March 31, 2024</u>	<u>December 31, 2023</u>
	<u>Level 1</u>	<u>Level 1</u>
Restricted cash	\$ 18,457	\$ 16,647
Restricted investments		
Debt securities	6,113	6,168
Equity securities	25,170	23,042
	<u>31,283</u>	<u>29,210</u>
Total restricted cash and investments	<u>\$ 49,740</u>	<u>\$ 45,857</u>

At March 31, 2024 and December 31, 2023, the Company had no financial instruments which used Level 2 or 3 fair value measurements.

3. Accounts Receivable

Accounts receivable consist of the following:

	<u>March 31,</u>	<u>December 31,</u>
	<u>2024</u>	<u>2023</u>
Trade receivables	\$ 10,328	\$ 14,039
Other	130	133
	<u>\$ 10,458</u>	<u>\$ 14,172</u>

The Company has not recorded any estimated allowance for credit losses for the periods presented.

Corsa Coal Corp.
Notes to Unaudited Condensed Interim Consolidated Financial Statements
For the three months ended March 31, 2024 and 2023
Expressed in United States dollars, amounts in thousands except for shares and per share amounts

4. Inventories, net

Inventories consist of the following:

	<u>March 31,</u> <u>2024</u>	<u>December 31,</u> <u>2023</u>
Metallurgical coal		
Clean coal stockpiles	\$ 1,981	\$ 1,001
Raw coal stockpiles	1,282	649
	<u>3,263</u>	<u>1,650</u>
Parts and supplies, net	6,256	5,798
	<u>\$ 9,519</u>	<u>\$ 7,448</u>

The net realizable value adjustment, measured as the inventory balances at full cost less net realizable value for the three months ended March 31, 2024 was \$347. There was no net realizable adjustment for the three months ended March 31, 2023. An obsolescence reserve of \$566 has been provided for the parts and supplies inventory as of March 31, 2024 and December 31, 2023.

5. Restricted Cash and Investments

Restricted cash and investments consists of the following:

	<u>March 31, 2024</u>				<u>December 31, 2023</u>			
	Debt		Equity		Debt		Equity	
	Cash	Securities	Securities	Total	Cash	Securities	Securities	Total
Water treatment (a)	\$ 328	\$ 5,707	\$ 24,849	\$ 30,884	\$ 275	\$ 5,772	\$ 22,749	\$ 28,796
Reclamation bonds (b)	12,272	395	31	12,698	10,652	385	30	11,067
Workers' compensation (c)	5,857	—	290	6,147	5,720	—	263	5,983
Other restricted deposits	—	11	—	11	—	11	—	11
	<u>\$ 18,457</u>	<u>\$ 6,113</u>	<u>\$ 25,170</u>	<u>\$ 49,740</u>	<u>\$ 16,647</u>	<u>\$ 6,168</u>	<u>\$ 23,042</u>	<u>\$ 45,857</u>

- (a) The Company has signed certain agreements with U.S. environmental and regulatory agencies which require the perpetual monitoring and treatment of water in areas where the Company is operating or has operated in the past. As a result of these agreements, the Company was required to establish separate trust funds to ensure water treatment activities would continue after the Company ceased operating in the affected areas. The cash is either held or invested in debt and equity securities and income earned on such funds, under certain circumstances, may be used by the Company to pay for certain water treatment costs once the trust funds have been fully funded.
- (b) The Company is required to post bonds to ensure reclamation is completed on its mining properties as required under U.S. state and federal regulations. The Company has agreements with insurers to provide these bonds. The cash collateral is held or invested in certificates of deposit, that are insured by the U.S. Federal Deposit Insurance Corporation, or in debt and equity security investments. The Company is required to increase the level of cash collateral over time to reach the target set by the surety of 25% of the issued bond amount. The collateral increase will be funded by quarterly installment payments of up to \$375. In December 2023, the Company entered into an amendment with the surety bond provider to increase the amount of surety bonds available for issuance by \$5,000. As a result of this amendment, the Company was required to deposit \$1,250 into the collateral account in January 2024.
- (c) The Company has established separate trust funds with its insurance carriers to pay potential awards and claims related to workers' compensation.

Corsa Coal Corp.
Notes to Unaudited Condensed Interim Consolidated Financial Statements
For the three months ended March 31, 2024 and 2023
Expressed in United States dollars, amounts in thousands except for shares and per share amounts

6. Property, Plant and Equipment, net

Property, plant and equipment consists of the following:

	Mineral Properties (a)	Plant and Equipment	Total
Cost			
Balance - January 1, 2023	\$ 165,712	\$ 157,488	\$ 323,200
Additions	—	8,733	8,733
Capitalized development costs	850	—	850
Change in reclamation provision	3,551	—	3,551
Disposals (b)	<u>(18,590)</u>	<u>(7,947)</u>	<u>(26,537)</u>
Balance - December 31, 2023	151,523	158,274	309,797
Additions	—	1,014	1,014
Capitalized development costs	1	—	1
Disposals	—	<u>(2,226)</u>	<u>(2,226)</u>
Balance - March 31, 2024	<u>\$ 151,524</u>	<u>\$ 157,062</u>	<u>\$ 308,586</u>
Accumulated Amortization and Impairment Losses			
Balance - January 1, 2023	\$ (77,400)	\$ (129,022)	\$ (206,422)
Amortization	(5,074)	(7,628)	(12,702)
Disposals (b)	<u>4,633</u>	<u>7,932</u>	<u>12,565</u>
Balance - December 31, 2023	(77,841)	(128,718)	(206,559)
Amortization	(1,067)	(1,974)	(3,041)
Disposals	—	<u>2,217</u>	<u>2,217</u>
Balance - March 31, 2024	<u>\$ (78,908)</u>	<u>\$ (128,475)</u>	<u>\$ (207,383)</u>
Net Book Value			
December 31, 2023	<u>\$ 73,682</u>	<u>\$ 29,556</u>	<u>\$ 103,238</u>
March 31, 2024	<u>\$ 72,616</u>	<u>\$ 28,587</u>	<u>\$ 101,203</u>

- (a) The two types of lease rights in the states of Maryland and Pennsylvania are surface rights, which provide access to the surface of a specific property, and mineral rights, which provide the right to extract the minerals from a specific property. The Company either purchases outright or leases these rights from various owners specific to each property. Mineral and surface rights which are leased are subject to royalty payments to the various owners based on the tons of coal extracted from that specific property. Royalty rates on leased mineral rights can range from 5% to 16%, although they typically range from 6% to 7%, of the selling price of the coal. Mineral and surface rights which are owned by the Company are not subject to royalties. The net book value of mineral properties that are not in production at March 31, 2024 and December 31, 2023 was \$7,933 and \$7,932, respectively.
- (b) Mineral properties disposals includes a net \$13,957 write-off due to the lease expiration of the mineral rights at the A-Seam mine. The lease was not extended therefore the mineral interest carrying value was expensed in December 2023.

Corsa Coal Corp.
Notes to Unaudited Condensed Interim Consolidated Financial Statements
For the three months ended March 31, 2024 and 2023
Expressed in United States dollars, amounts in thousands except for shares and per share amounts

7. Accounts Payable, Accrued Liabilities and Recourse Obligation

Accounts payable, accrued liabilities and recourse obligation consists of the following:

	March 31,	December 31,
	2024	2023
Trade payables	\$ 8,886	\$ 7,503
Purchased coal payables	721	506
Freight payables	1,205	1,005
Income tax payable	412	412
Other accrued liabilities	7,377	6,563
Total accounts payable and accrued liabilities	<u>\$ 18,601</u>	<u>\$ 15,989</u>
	March 31,	December 31,
	2024	2023
Recourse obligation (a)	\$ 1,887	\$ —

- (a) On July 28, 2022, the Company’s subsidiary, Wilson Creek Energy, LLC (“WCE”) entered into a 24-month Invoice Purchase Agreement (the “LSQ Financing”) with LSQ Funding Group, L.C. (“LSQ”), pursuant to which LSQ may elect to purchase up to \$15,000 of eligible customer invoices from WCE. WCE’s obligations under the LSQ Financing are secured by a lien on all accounts receivable and rights to payment arising from the sale of goods and inventory pursuant to a subordination agreement with KeyBank National Association (“KeyBank”) in connection with the Main Street Facility.

Advances by LSQ may be made at an advance rate of up to 85% of the face value of the eligible receivables being sold. LSQ may require WCE to repurchase accounts receivable if LSQ determines, in its sole discretion, that the accounts are uncollectible for any reason. LSQ will receive fees equal to 0.0750% of the receivables purchased in addition to a funds usage daily fee of 0.0292% of the outstanding balance purchased. The purchase does not result in derecognition of the accounts receivable because WCE retains substantially all the risks and rewards of ownership of the transferred asset.

8. Lease Liabilities

Lease liabilities consists of the following:

	Interest Rate	Maturity	March 31,	December 31,
			2024	2023
Equipment - Refuse Facility	18.9%	January 2028	\$ 1,837	\$ 1,917
Equipment - Surface	2.5% to 16.5%	Oct. 2024 - Sept. 2027	2,876	3,185
Balance, end of period			4,713	5,102
Less: Current portion			(1,475)	(1,507)
Total long-term lease liabilities			<u>\$ 3,238</u>	<u>\$ 3,595</u>

Corsa Coal Corp.
Notes to Unaudited Condensed Interim Consolidated Financial Statements
For the three months ended March 31, 2024 and 2023
Expressed in United States dollars, amounts in thousands except for shares and per share amounts

Lease liabilities and minimum lease payments at March 31, 2024 are as follows:

Less than 1 year	\$	2,067
1-3 years		3,050
4-5 years		857
Thereafter		—
Total payments		5,974
Less: Amounts representing interest		(1,261)
Total finance lease obligations	\$	4,713

For the three months ended March 31, 2024 and 2023, interest expense, which is included in finance expense in the unaudited condensed interim consolidated statements of operations and comprehensive income (loss) and total cash outflows related to lease liabilities were as follows:

	For the three months ended	
	March 31,	
	2024	2023
Interest expense related to lease liabilities	\$ 180	\$ 109
Total cash outflows related to lease liabilities	\$ 569	\$ 461

The expense relating to leases of low value assets was not material.

Right-of-use assets, which are included in property, plant and equipment, net, in the consolidated balance sheets, consist of the following:

	Equipment				Total
	Plant	Refuse	Surface	IT	
<u>Gross Right-of-Use Asset</u>					
Balance – January 1, 2023	\$ 2,200	\$ 2,308	\$ 3,945	\$ 37	\$ 8,490
Additions	—	(2)	2,765	—	2,763
Lease expiration	(2,200)	—	(841)	(37)	(3,078)
Balance – December 31, 2023	—	2,306	5,869	—	8,175
Lease expiration	—	—	(841)	—	(841)
Balance – March 31, 2024	<u>\$ —</u>	<u>\$ 2,306</u>	<u>\$ 5,028</u>	<u>\$ —</u>	<u>\$ 7,334</u>
<u>Accumulated Amortization</u>					
Balance – January 1, 2023	\$ (1,881)	\$ —	\$ (2,369)	\$ (32)	\$ (4,282)
Amortization	(319)	(384)	(1,199)	(5)	(1,907)
Lease expiration	2,200	—	841	37	3,078
Balance – December 31, 2023	—	(384)	(2,727)	—	(3,111)
Amortization	—	(115)	(330)	—	(445)
Lease expiration	—	—	841	—	841
Balance – March 31, 2024	<u>\$ —</u>	<u>\$ (499)</u>	<u>\$ (2,216)</u>	<u>\$ —</u>	<u>\$ (2,715)</u>
<u>Net Book Value</u>					
December 31, 2023	<u>\$ —</u>	<u>\$ 1,922</u>	<u>\$ 3,142</u>	<u>\$ —</u>	<u>\$ 5,064</u>
March 31, 2024	<u>\$ —</u>	<u>\$ 1,807</u>	<u>\$ 2,812</u>	<u>\$ —</u>	<u>\$ 4,619</u>

Corsa Coal Corp.
Notes to Unaudited Condensed Interim Consolidated Financial Statements
For the three months ended March 31, 2024 and 2023
Expressed in United States dollars, amounts in thousands except for shares and per share amounts

Amortization expense related to the right-of-use assets is included in cost of sales in the unaudited condensed interim consolidated statements of operations and comprehensive income (loss) and was as follows:

	For the three months ended	
	March 31,	
	2024	2023
Right-of-use asset amortization expense	\$ 445	\$ 354

9. Debt

Loan Payable - 36th Street Facility

On August 16, 2019, the Company’s wholly-owned direct subsidiary, Wilson Creek Holdings, Inc. (“WCH”), as lessee, and the Company along with all of the subsidiaries of WCH, as guarantors, entered into a lease financing agreement with Key Equipment Finance, as lessor and assignor, and 36th Street Capital Partners, LLC, as assignee, for the sale and leaseback of various coal mining equipment for a funding amount of \$12,000 which was fully repaid on March 1, 2023.

Loan Payable - Main Street Facility

On December 14, 2020, certain wholly-owned subsidiaries of the Company, as borrowers, entered into a five-year secured term loan with KeyBank for \$25,000 (the “Main Street Facility”), as subsequently amended, through the Main Street Lending Program established by the board of governors of the U.S. Federal Reserve System. Under this program, lending is facilitated through a special purpose vehicle established by the Federal Reserve Bank of Boston which committed to purchase, on December 21, 2020, a participation interest equal to 95% of the Main Street Facility. The Main Street Facility bears interest, payable monthly, at the secured overnight financing rate plus 3.1148% and contains customary financial covenants, which were amended effective December 31, 2022, as well as affirmative and negative covenants, including covenants that would restrict the ability to pay dividends, make distributions and transfer funds to the Canadian parent entity (i.e., Corsa Coal Corp.). The Main Street Facility is repayable on each of the third and fourth anniversaries of the closing date of the Main Street Facility in an amount equal to 15% of the principal amount, with the remaining balance due in full on the fifth anniversary of the closing date and is pre-payable at any time without any premium or penalty. Additionally, a mandatory prepayment of \$1,200 was required to be paid in monthly installments of \$100 beginning on March 31, 2023. In October 2023, the Company made a loan prepayment of \$8,234, which included the remainder of the mandatory prepayment and the December 2023 and 2024 installment payments. The Main Street Facility is secured against certain real and personal property of the borrowers. The borrowers were in compliance with all financial covenants at March 31, 2024. Effective April 1, 2024, the financial covenants were modified in exchange for six additional principal payments of \$500 commencing October 1, 2024.

Corsa Coal Corp.
Notes to Unaudited Condensed Interim Consolidated Financial Statements
For the three months ended March 31, 2024 and 2023
Expressed in United States dollars, amounts in thousands except for shares and per share amounts

The changes in the loan payable balance are as follows:

	36 th Street Facility			Main Street Facility			
	Unamortized			Unamortized			
	Principal	Discount	Total	Principal	Discount	Total	Total
Balance - January 1, 2023	\$ 878	\$ (12)	\$ 866	\$ 25,780	\$ (428)	\$ 25,352	\$ 26,218
Accrued interest	14	—	14	—	—	—	14
Interest paid	(15)	—	(15)	—	—	—	(15)
Amortization of discount	—	12	12	—	144	144	156
Principal repayment	(877)	—	(877)	(8,934)	—	(8,934)	(9,811)
Balance - December 31, 2023	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 16,846</u>	<u>\$ (284)</u>	<u>\$ 16,562</u>	<u>\$ 16,562</u>
	36 th Street Facility			Main Street Facility			
	Unamortized			Unamortized			
	Principal	Discount	Total	Principal	Discount	Total	Total
Balance - January 1, 2024	\$ —	\$ —	\$ —	\$ 16,846	\$ (284)	\$ 16,562	\$ 16,562
Amortization of discount (note 17)	—	—	—	—	36	36	36
Balance - March 31, 2024	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 16,846</u>	<u>\$ (248)</u>	<u>\$ 16,598</u>	<u>\$ 16,598</u>
Less: current portion	—	—	—	(3,000)	—	(3,000)	(3,000)
Total long-term loan payable	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 13,846</u>	<u>\$ (248)</u>	<u>\$ 13,598</u>	<u>\$ 13,598</u>

10. Other Liabilities

Other liabilities consist of the following:

	March 31, 2024	December 31, 2023
Workers' compensation provision (a)	\$ 5,902	\$ 5,988
Maryland grant – deferred income (b)	1,287	1,287
Contingent consideration (c)	1,328	661
Other (d)	857	810
	<u>9,374</u>	<u>8,746</u>
Less: current portion	(4,705)	(3,972)
Total Other Liabilities	<u>\$ 4,669</u>	<u>\$ 4,774</u>

- (a) The provision relates to workers' compensation and occupational disease claims that have not yet been paid by the Company. The estimates use an actuarial valuation approach based on historical claims and known events, where such estimates may differ materially from the estimates used herein. The balance that is expected to be settled within the next 12 months is \$1,358. The Company has established separate trust funds with its insurance carriers to pay potential awards and claims related to workers' compensation claims (note 5).
- (b) In May 2023, Maryland Energy Resources, LLC, a wholly-owned indirect subsidiary of Corsa, entered into a grant agreement with Tri-County Council for Western Maryland, Inc., (the "Grant"). The Grant proceeds are to be used to fund capital infrastructure projects at the Casselman mine. The projects must commence within 12 months and be completed within 36 months of the Grant. The Company elected to account for the Grant under International Accounting Standard 20 – *Accounting for Government Grants and Disclosure of Government Assistance* utilizing the income approach. Grant income will be recognized in profit or loss over the periods, and in the proportions, in which amortization expense on those assets is recognized. The grant deferred income has been included in the current portion above.
- (c) In December 2023, the Company entered into an agreement to sell the idled Rockwood preparation plant, a refuse facility and an adjacent parcel of land subject to the transfer of the associated permits and the buyer posting the

Corsa Coal Corp.
Notes to Unaudited Condensed Interim Consolidated Financial Statements
For the three months ended March 31, 2024 and 2023
Expressed in United States dollars, amounts in thousands except for shares and per share amounts

required surety bonds. Consideration for the sale will be in the form of coal and the sale does not qualify for accounting treatment under IFRS 5 - *Non-current Assets Held for Sale and Discontinued Operations*. The contingent consideration represents an estimate of the amount that the Company would have to return to the buyer should closing of the transaction not occur. The contingent consideration has been included in the current portion above. At March 31, 2024, the net carrying value of the properties was \$6,061 and outstanding surety bonds posted against the properties of \$5,918.

- (d) Other includes various accruals based on management's best estimate of other matters, of which \$732 is expected to be settled within the next twelve months.

11. Reclamation and Water Treatment Provision

The Company's reclamation and water treatment provision arises from its obligations to undertake site reclamation and remediation as well as certain water treatment activities in connection with its historical operations.

The changes to the reclamation and water treatment provision were as follows:

	Site Reclamation and Remediation (a)	Water Treatment Obligation (b)	Total
Balance - January 1, 2023	\$ 40,611	\$ 29,103	\$ 69,714
Costs incurred	(2,950)	(2,324)	(5,274)
Change in estimate	5,445	(13,394)	(7,949)
Accretion expense	1,673	1,188	2,861
	4,168	(14,530)	(10,362)
Balance - December 31, 2023	\$ 44,779	\$ 14,573	\$ 59,352
Costs incurred	(448)	(679)	(1,127)
Accretion expense (note 17)	449	146	595
	1	(533)	(532)
Balance - March 31, 2024	\$ 44,780	\$ 14,040	\$ 58,820
Less: current portion	(3,661)	(866)	(4,527)
Long-Term Reclamation and Water Treatment Provision	\$ 41,119	\$ 13,174	\$ 54,293
Estimated costs (undiscounted cash flow basis)	\$ 50,614	\$ 17,115	\$ 67,729
End of reclamation period	1-21 years	Perpetual	
Discount rate	3.84%-4.79%	3.84%-4.79%	
Inflation rate	2.0%	2.0%	

(a) Site reclamation and remediation

- (i) The current portion represents the amount of costs expected to be incurred by the Company within one year from March 31, 2024.
- (ii) At March 31, 2024, the Company had \$73,410 in surety bonds outstanding to secure reclamation obligations.

(b) Water treatment obligation

The Company has signed certain agreements with U.S. environmental and regulatory agencies which require the monitoring and treatment of water in areas where the Company is operating or has operated in the past. The Company has the obligation to fund such water treatment activities and has recorded a provision for the total expected costs of such water treatment.

Water treatment costs incurred are offset against the water treatment provision. At each reporting period, the Company makes a determination of the estimated costs of water treatment using assumptions effective as of the end of the reporting period. The change in estimate within the reporting period is charged to cost of sales.

Certain factors may cause the expected water treatment costs to vary materially from the estimates included herein, including, but not limited to, changes in water quality and changes in laws and regulations. The estimates used herein represent management's best estimates as of the end of the reporting period.

The Company is required to maintain separate trust funds to ensure water treatment activities would continue after the Company ceased operating in the affected areas. The cash is invested in debt and equity securities and income earned on such funds, under certain circumstances, may be used by the Company to pay for certain water treatment costs once the trust funds have been fully funded. See note 7(a) for a further description of the water treatment trust funds.

The current portion represents the amount of costs expected to be incurred by the Company within one year from March 31, 2024.

12. Share Capital

The authorized capital of the Company consists of an unlimited number of common shares ("Common Shares") without par value and an unlimited number of preferred shares issuable in series, with such rights, privileges, restrictions and conditions as the Board of Directors of the Company may determine from time to time. At March 31, 2024 and December 31, 2023, the Company had 103,801,512 and 103,768,520 Common Shares outstanding, respectively, and no preferred shares outstanding.

Shareholder Rights Plan

On December 17, 2021, the Company adopted a shareholder rights plan (the "Rights Plan") which was ratified by shareholders of the Company at the Company's 2022 annual meeting of shareholders held on June 16, 2022, and remains in effect until the date on which the Company's annual meeting of shareholders is held in 2025, unless terminated sooner in accordance with its terms. The adoption of the Rights Plan is intended to ensure, to the extent possible, that all shareholders of the Company are treated fairly in connection with any take-over bid for Common Shares and to protect against acquisitions of control of Corsa through purchases of Common Shares that are exempt from applicable Canadian take-over bid rules, also referred to as "creeping" take-over bids. The Rights Plan is substantially similar to shareholder rights plans adopted by other Canadian issuers.

Subject to the terms of the Rights Plan, in the event that rights become exercisable under the Rights Plan, holders of the rights (other than the acquiring person and certain other customary parties, including parties acting jointly or in concert with the acquiring person) will be permitted to exercise their rights to purchase additional Common Shares of the Company at a 50% discount to the then prevailing market price of the Common Shares. Pursuant to the Rights Plan, one right attaches to each issued and outstanding Common Share.

Corsa Coal Corp.
Notes to Unaudited Condensed Interim Consolidated Financial Statements
For the three months ended March 31, 2024 and 2023
Expressed in United States dollars, amounts in thousands except for shares and per share amounts

13. Revenue

Revenue consists of the following:

	For the three months ended March 31,	
	2024	2023
Metallurgical coal sales	\$ 35,581	\$ 45,769
Thermal coal sales	295	2,060
Limestone revenue	112	116
	<u>\$ 35,988</u>	<u>\$ 47,945</u>

The following table displays revenue from contracts with customers and other sources:

	For the three months ended March 31,	
	2024	2023
Revenue from contracts with customers	\$ 35,771	\$ 47,695
Revenue from other sources	217	250
	<u>\$ 35,988</u>	<u>\$ 47,945</u>

Revenue from other sources is primarily thermal coal and limestone sold to various customers where control passes upon the loading of the coal or limestone at a point-of-sale transaction.

Corsa derives revenue from contracts with customers through the transfer of goods and services at a point in time in the following by type and geographical regions:

Geographic Region	For the three months ended March 31, 2024		
	Metallurgical	Thermal	Total
	Coal	Coal	
Asia	\$ 7,921	\$ —	\$ 7,921
North America	27,660	190	27,850
South America	—	—	—
Europe	—	—	—
Total revenue from contracts with customers	<u>\$ 35,581</u>	<u>\$ 190</u>	<u>\$ 35,771</u>

Geographic Region	For the three months ended March 31, 2023		
	Metallurgical	Thermal	Total
	Coal	Coal	
Asia	\$ 8,002	\$ —	\$ 8,002
North America	35,831	833	36,664
South America	1,936	—	1,936
Europe	—	1,093	1,093
Total revenue from contracts with customers	<u>\$ 45,769</u>	<u>\$ 1,926</u>	<u>\$ 47,695</u>

14. Cost of Sales

Cost of sales consists of the following:

	For the three months ended	
	March 31,	
	2024	2023
Mining and processing costs	\$ 30,389	\$ 29,000
Purchased coal costs	1,838	3,836
Royalty expense	1,870	2,285
Amortization expense	4,270	2,708
Transportation costs from preparation plant to customer	1,782	2,058
Idle mine expense	944	1,503
Limestone costs	176	232
Other costs	441	351
	<u>\$ 41,710</u>	<u>\$ 41,973</u>

15. Selling, General and Administrative Expense

Selling, general and administrative expense consists of the following:

	For the three months ended	
	March 31,	
	2024	2023
Salaries and other compensation	\$ 1,101	\$ 1,156
Employee benefits	383	255
Selling expense	188	160
Professional fees	231	227
Office expenses and insurance	339	361
Other	88	82
	<u>\$ 2,330</u>	<u>\$ 2,241</u>

16. Stock-Based Compensation

The Company has a stock option plan and a restricted share unit (“RSU”) plan providing for the issuance of stock options and RSUs, respectively, to directors, officers, employees and service providers. The number of Common Shares reserved for issuance under the stock option plan may not exceed 10% of the total number of issued and outstanding Common Shares on a non-diluted basis on the grant date. Additionally, the number of Common Shares that may be acquired under a stock option or RSU granted to a certain participant is determined by the Company’s Board of Directors and may not exceed 5% of the total number of issued and outstanding Common Shares on the grant date on a non-diluted basis. The exercise price of the stock options granted shall comply with the requirements of the stock exchange on which the Common Shares are listed (currently the TSX Venture Exchange). The maximum term of any stock option may not exceed five years unless approved by the Company’s Board of Directors. Generally, stock options vest over three years. Each RSU granted entitles the participant to receive, from the Company, payment in cash or, at the option of the Company, payment in fully paid Common Shares. For a cash payment, the RSUs will be redeemed by the Company for cash equal to the market value of the Common Shares, determined based on the volume weighted average trading price of a Common Share on the stock exchange during the five trading days immediately preceding the payment date. In the event that the Company elects to satisfy all or part of its payment obligation in fully paid Common Shares, the Company will satisfy the payment obligation with the issuance, or delivery, of fully paid Common Shares on the payment date. No RSUs have been granted, including during the three months ended March 31, 2024 and 2023. At March 31, 2024 and 2023, there were 6,117,705 and 4,164,508 stock options available for issuance under the stock option plan, respectively.

Corsa Coal Corp.
Notes to Unaudited Condensed Interim Consolidated Financial Statements
For the three months ended March 31, 2024 and 2023
Expressed in United States dollars, amounts in thousands except for shares and per share amounts

The following illustrates the changes in issued and outstanding stock options:

	Number of Stock Options (000's)	Weighted Average Exercise Price (C\$)
Balance - January 1, 2023	6,261	\$0.41
Options exercised	(538)	\$0.38
Options cancelled/forfeited	(368)	\$0.36
Options expired	(993)	\$0.95
Balance - December 31, 2023	4,362	\$0.29
Options exercised	(100)	\$0.27
Balance - March 31, 2024	<u>4,262</u>	\$0.29

For the three months ended March 31, 2024 and 2023, the Company recorded stock-based compensation expense on the outstanding stock options, which is included in selling, general and administrative expense, as follows:

	For the three months ended March 31,	
	2024	2023
Stock-based compensation expense	\$ 36	\$ 62

17. Finance (Expense), Finance Income and Gain on Restricted Investments

Finance (expense), finance income and gain on restricted investments consists of the following:

	For the three months ended March 31,	
	2024	2023
Finance expense		
Amortization of discount on loan payable (note 9)	\$ (36)	\$ (47)
Bond premium expense	(602)	(547)
Interest expense	(1,079)	(1,318)
Accretion on reclamation and water treatment provision (note 11)	(595)	(705)
Foreign exchange loss	(1)	—
Other	(10)	(12)
Total finance expense	<u>\$ (2,323)</u>	<u>\$ (2,629)</u>
Finance income		
Interest income	\$ 4	\$ 3
Total finance income	<u>\$ 4</u>	<u>\$ 3</u>
Net finance expense	<u>\$ (2,319)</u>	<u>\$ (2,626)</u>
Gain on Restricted Investments	<u>\$ 2,135</u>	<u>\$ 529</u>

18. Other Income and Expense

Other income (expense) consists of the following:

	For the three months ended	
	March 31,	
	2024	2023
Filter cake sales and refuse disposal income	\$ 22	\$ 27
Loss on property dispositions	(2)	(11)
Royalty income	12	38
Other	13	240
	<u>\$ 45</u>	<u>\$ 294</u>

19. Earnings per Share

Basic and diluted (loss) earnings per Common Share is summarized as follows:

	For the three months ended	
	March 31,	
	2024	2023
Basic and diluted (loss) earnings	\$ (8,191)	\$ 1,928
Basic weighted average number of Common Shares outstanding (000's)	103,800	103,275
Dilutive effect of weighted average of stock options (000's)	—	—
Diluted weighted average number of Common Shares outstanding (000's)	<u>103,800</u>	<u>103,275</u>
Basic (loss) earnings per share	<u>\$ (0.08)</u>	<u>\$ 0.02</u>
Diluted (loss) earnings per share	<u>\$ (0.08)</u>	<u>\$ 0.02</u>

In periods of net loss, the number of shares used to calculate diluted earnings per share is the same as basic earnings per share; therefore, the effect of the dilutive securities is zero for such periods. For the three months ended March 31, 2024, there were no instruments, including stock options, which would result in the issuance of Common Shares whose effect would be dilutive on loss per share.

20. Supplemental Cash Flow Information

	For the three months ended	
	March 31,	
	2024	2023
Change in working capital balances related to operations:		
Accounts receivable	\$ 3,714	\$ (917)
Prepaid expenses and other current assets	715	650
Inventories	(1,892)	(468)
Accounts payable and accrued liabilities	2,663	(489)
Recourse obligation	1,887	(451)
Other liabilities	714	6
	<u>\$ 7,801</u>	<u>\$ (1,669)</u>
Cash paid for interest	<u>\$ 1,079</u>	<u>\$ 1,311</u>
Cash paid for income taxes	<u>\$ —</u>	<u>\$ —</u>
Non-cash investing and financing activities:		
Purchase of property, plant and equipment		
Change in assets	<u>\$ (51)</u>	<u>\$ 14</u>
Change in liabilities	<u>\$ (51)</u>	<u>\$ 14</u>
Lease liabilities		
Change in assets	<u>\$ —</u>	<u>\$ 835</u>
Change in liabilities	<u>\$ —</u>	<u>\$ 835</u>

21. Segment Information

Management has identified its operating segments based on geographical location and product offerings. Management has identified two distinct operating segments which require separate disclosures under IFRS 8 – *Operating Segments*. The two operating segments, NAPP and the Company’s corporate office, are reported on the same basis as the internal reporting of the Company, using accounting policies consistent with the annual consolidated financial statements.

NAPP is a distinct operating segment based on its metallurgical coal operations and location in the U.S. along the Northern Appalachia coal belt. The Company’s corporate office provides support and manages the mining investments. The amounts charged for transactions between reportable segments were measured at the exchange value, which represented the amount of consideration established and agreed to by the reportable segments.

Corsa Coal Corp.
Notes to Unaudited Condensed Interim Consolidated Financial Statements
For the three months ended March 31, 2024 and 2023
Expressed in United States dollars, amounts in thousands except for shares and per share amounts

	For the three months ended March 31, 2024		
	NAPP	Corporate	Total
Revenue	\$ 35,988	\$ —	\$ 35,988
Cost of sales	(41,710)	—	(41,710)
Gross loss	(5,722)	—	(5,722)
Selling, general and administrative expense	(1,786)	(544)	(2,330)
Loss from operations	(7,508)	(544)	(8,052)
Finance expense	(1,916)	(407)	(2,323)
Finance income	3	1	4
Gain on restricted investments	2,135	—	2,135
Other income	45	—	45
Loss before tax	(7,241)	(950)	(8,191)
Current income tax expense	—	—	—
Deferred income tax expense	—	—	—
Provision for income taxes	—	—	—
Net loss	\$ (7,241)	\$ (950)	\$ (8,191)

	For the three months ended March 31, 2023		
	NAPP	Corporate	Total
Revenue	\$ 47,945	\$ —	\$ 47,945
Cost of sales	(41,973)	—	(41,973)
Gross margin	5,972	—	5,972
Selling, general and administrative expense	(1,584)	(657)	(2,241)
Income (loss) from operations	4,388	(657)	3,731
Finance expense	(2,069)	(560)	(2,629)
Finance income	2	1	3
Gain on restricted investments	529	—	529
Other income	294	—	294
Income (loss) before tax	3,144	(1,216)	1,928
Current income tax expense	—	—	—
Deferred income tax expense	—	—	—
Provision for income taxes	—	—	—
Net income (loss)	\$ 3,144	\$ (1,216)	\$ 1,928

Corsa Coal Corp.
Notes to Unaudited Condensed Interim Consolidated Financial Statements
For the three months ended March 31, 2024 and 2023
Expressed in United States dollars, amounts in thousands except for shares and per share amounts

	For the period ended March 31, 2024			For the year ended December 31, 2023		
	NAPP	Corporate	Total	NAPP	Corporate	Total
Assets	\$ 178,112	\$ 9,256	\$ 187,368	\$ 179,667	\$ 11,614	\$ 191,281
Liabilities	\$ 92,486	\$ 17,507	\$ 109,993	\$ 88,297	\$ 17,454	\$ 105,751

All of the Company's mining properties are located in the U.S. The following geographic data includes revenues, net income (loss), non-current assets, total assets and total liabilities:

	For the three months ended March 31, 2024			For the three months ended March 31, 2023		
	USA	Canada	Total	USA	Canada	Total
Revenue	\$ 35,988	\$ —	\$ 35,988	\$ 47,945	\$ —	\$ 47,945
Net (loss) income	\$ (8,118)	\$ (73)	\$ (8,191)	\$ 2,030	\$ (102)	\$ 1,928

	At March 31, 2024			At December 31, 2023		
	USA	Canada	Total	USA	Canada	Total
Non-current assets	\$ 156,102	\$ —	\$ 156,102	\$ 155,376	\$ —	\$ 155,376
Total assets	\$ 187,341	\$ 27	\$ 187,368	\$ 191,226	\$ 55	\$ 191,281
Total liabilities	\$ 109,968	\$ 25	\$ 109,993	\$ 105,740	\$ 11	\$ 105,751

22. Commitments and Contingencies

Litigation

The Company and its subsidiaries are parties to a number of lawsuits arising in the ordinary course of their businesses. The Company records costs relating to these matters when a loss is probable and the amount can be reasonably estimated. The effect of the outcome of these matters on the Company's future results of operations cannot be predicted with certainty as any such effect depends on future results of operations and the amount and timing of the resolution of such matters. While the results of litigation cannot be predicted with certainty, the Company believes that the final outcome of such other litigation will not have a material adverse effect on the Company's consolidated financial statements.