MEXICAN
GOLD MINING CORP

CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEARS ENDED
JUNE 30, 2024 AND 2023

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Independent Auditor's Report

To the Shareholders of Mexican Gold Mining Corp.

Opinion

We have audited the consolidated financial statements of Mexican Gold Mining Corp. (the "Group"), which comprise the consolidated statements of financial position as at June 30, 2024 and June 30, 2023 and the consolidated statements of loss and comprehensive loss, statements of cash flows and changes in equity for the years 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 consolidated financial position of the Group as at June 30, 2024 and June 30, 2023, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board.

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 Group 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

We draw attention to Note 1 to the consolidated financial statements which describes the material uncertainty that may cast significant doubt on the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

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 our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. Other than the matter described in the Material Uncertainty Related to Going Concern section, we have determined there are no key audit matters to be communicated 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 we do 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 the other information prior to the date of this auditor's report. If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact in this auditor's report. We have nothing to report in this regard.

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 Accounting Standards as issued by the International Accounting Standards Board, 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 Group’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 Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group’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 Group’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 Group’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 Group 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 Group 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.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor’s report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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

Crowe MacKay LLP

Chartered Professional Accountants
Vancouver, Canada
September 27, 2024

Mexican Gold Mining Corp.
Consolidated Statements of Financial Position
(Expressed in Canadian dollars)

	Note	June 30, 2024 $	June 30, 2023 $
ASSETS			
Current assets			
Cash and cash equivalents	3	210,514	560,970
Amounts receivable		761	29,191
Prepaid expenses and deposits	5	20,680	96,740
Total current assets		231,955	686,901
Total Assets		231,955	686,901
LIABILITIES			
Current liabilities			
Accounts payable and accrued liabilities	8,9	19,409	96,679
Total current liabilities		19,409	96,679
EQUITY			
Share capital	6	33,329,483	33,329,483
Reserves	6	4,411,742	4,411,742
Foreign currency translation		9,515	3,727
Deficit		(37,538,194)	(37,154,730)
Total equity		212,546	590,222
Total Equity and Liabilities		231,955	686,901

NATURE OF OPERATIONS AND GOING CONCERN UNCERTAINTY (Note 1)

These consolidated financial statements are authorized for issue by the Board of Directors on September 27, 2024. They are signed on the Company's behalf by:

"Jack Campbell" , Director

"*Ali Zamani*" , Director

Mexican Gold Mining Corp.
Consolidated Statements of Loss and Comprehensive Loss
(Expressed in Canadian dollars)

		Years ended June 30,	
		2024	2023
	Note	$	$
Expenses			
Care and maintenance expenditures	1,4	81,928	93,882
General and administrative	7,9	323,328	339,980
Professional fees		41,838	49,075
Loss before other items		(447,094)	(482,937)
Gain on forgiveness of debt	8	52,000	-
Interest income		8,391	-
Foreign exchange gain (loss)		3,239	(3,662)
Loss for the year		(383,464)	(486,599)
Other comprehensive item that may be reclassified to profit and loss:			
Exchange differences on translation of foreign operations		5,788	1,679
Total comprehensive loss for the year		(377,676)	(484,920)
Loss per share – basic and diluted		(0.02)	(0.03)
Weighted average number of common shares outstanding – basic and diluted		21,234,278	15,791,813

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

Mexican Gold Mining Corp.
Consolidated Statements of Cash Flows
(Expressed in Canadian dollars)

	Years ended June 30, 2024	2023
	$	$
Cash flows from operating activities		
Loss for the year	(383,464)	(486,599)
Adjustments for:		
Gain on forgiveness of debt	(52,000)	-
Value added tax written off	-	28,246
Foreign exchange	5,788	-
	(429,676)	(458,353)
Change in non-cash working capital items:		
Amounts receivable	28,430	(13,137)
Prepaid expenses and deposits	76,060	(82,894)
Accounts payable and accrued liabilities	(25,270)	11,484
Net cash used in operating activities	(350,456)	(542,900)
Cash flows from financing activities		
Shares issued in private placements	-	1,050,000
Share issuance costs	-	(38,153)
Net cash generated from financing activities	-	1,011,847
Net increase (decrease) in cash and cash equivalents	(350,456)	468,947
Cash and cash equivalents at beginning of year	560,970	92,023
Cash and cash equivalents at end of year	210,514	560,970
Supplemental cash flow information		
Interest received	2,508	-

There were no non-cash investing or financing activities for the years ended June 30, 2024 and 2023.

Mexican Gold Mining Corp.
Consolidated Statements of Changes in Equity
(Expressed in Canadian dollars)

	Note	Number of shares	Amount $	Contributed Surplus $	Equity settled share-based payments $	Total reserves $	Foreign currency translation $	Deficit $	Total equity $
Balance at June 30, 2022		12,734,280	32,317,636	215,417	4,196,325	4,411,742	2,048	(36,668,131)	63,295
Shares issued pursuant to private placements	6	8,499,998	1,050,000	-	-	-	-	-	1,050,000
Share issuance costs	6	-	(38,153)	-	-	-	-	-	(38,153)
Total comprehensive loss for the year		-	-	-	-	-	1,679	(486,599)	(484,920)
Balance at June 30, 2023		21,234,278	33,329,483	215,417	4,196,325	4,411,742	3,727	(37,154,730)	590,222
Total comprehensive loss for the year		-	-	-	-	-	5,788	(383,464)	(377,676)
Balance at June 30, 2024		21,234,278	33,329,483	215,417	4,196,325	4,411,742	9,515	(37,538,194)	212,546

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

1. NATURE OF OPERATIONS AND GOING CONCERN UNCERTAINTY

Mexican Gold Mining Corp. (the "Company") was incorporated under the *Business Corporations Act* (Alberta) on October 5, 2006. On January 17, 2011, the Company was continued into the jurisdiction of Ontario and on February 10, 2020, was continued as a British Columbia corporation under the *Business Corporations Act* (British Columbia). The address of the Company's registered office is 2500 – 700 West Georgia Street, Vancouver, BC, Canada V7Y 1B3.

The Company is a mineral exploration company engaged in the acquisition, exploration and evaluation of resource properties in Mexico. The Company's resource properties presently have no proven or probable reserves, and on the basis of information to date, it has not yet determined whether these properties contain economically recoverable resources. The recoverability of expenditures on its resource properties is dependent upon the existence of economically recoverable resources, the Company securing and maintaining title and beneficial interest in the properties, and the ability of the Company to obtain the necessary financing to complete the exploration and development and future profitable production or, alternatively, on the sufficiency of proceeds from disposition.

These consolidated financial statements have been prepared assuming the Company will continue on a going-concern basis and do not include adjustments to amounts and classifications of assets and liabilities that might be necessary should the Company be unable to continue operations. The ability of the Company to continue as a going concern depends upon its ability to develop profitable operations and to continue to raise adequate financing. As at June 30, 2024, the Company has an accumulated deficit of $37,538,194, working capital of $212,546 and negative cash flow from operating activities of $350,456. Management is actively targeting sources of additional financing through alliances with financial, exploration and mining entities, or other business and financial transactions which would assure continuation of the Company's operations and exploration programs. In order for the Company to meet its liabilities as they come due and to continue its operations, the Company is solely dependent upon its ability to generate such financing. These factors comprise a material uncertainty which may cast significant doubt about the Company's ability to continue as a going concern.

The Company's business may be affected by changes in political and market conditions, such as interest rates, availability of credit, inflation rates, changes in laws, and national and international circumstances. Recent geopolitical events and potential economic global challenges, such as the risk of higher inflation and energy crises, may create further uncertainty with respect to the Company's ability to execute its business plans.

The Company is currently in dispute with a neighboring concession owner over the overlap of the Las Minas property. The overlapping area comprises approximately 11% of the Las Minas project. As ordered by the Regional Court of Tlaxcala of the Federal Tribunal of Administrative Justice, exploration will be suspended until the court reaches a decision on the claims dispute. The suspension of the exploration activities applies within the overlapping area only. The Company, after consulting with its Mexican legal counsel, is of the view that the dispute is without merit and believes that Roca Verde has valid ownership to the overlapping area under applicable Mexican law.

These consolidated financial statements were approved by the Board of Directors of the Company on September 27, 2024.

2. MATERIAL ACCOUNTING POLICY INFORMATION

The material accounting policies applied in the preparation of these consolidated financial statements are set out below.

a) Statement of compliance

The Company's consolidated financial statements, including comparatives, have been prepared in accordance with and using accounting policies in compliance with the IFRS Accounting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"), effective for the Company's reporting for the year ended June 30, 2024.

b) Basis of preparation

These consolidated financial statements have been prepared on a historical cost basis except for financial instruments classified as financial instruments at fair value. In addition, these consolidated financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

c) Basis of consolidation

These consolidated financial statements include the accounts of the Company and its wholly owned subsidiary as follows:

	Place of Incorporation	Principal Activity
Roca Verde Exploracion de Mexico, S.A. de C.V.	Mexico	Exploration company

Inter-company balances and transactions, including unrealized income and expenses arising from inter-company transactions, are eliminated in preparing the consolidated financial statements. Subsidiaries are all entities (including structured entities) over which the group has control. The group controls an entity when the group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the group. They are deconsolidated from the date that control ceases.

d) Foreign currencies

The presentation and functional currency of the Company is considered to be the Canadian dollar. The functional currency of its subsidiary is considered to be the Mexican peso. Transactions in currencies other than the functional currency of the respective corporation are recorded at the rates of exchange prevailing on the dates of transactions. At the end of each reporting period, monetary assets and liabilities that are denominated in foreign currencies are translated at the rates prevailing at that date. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated. Foreign exchange gains or losses resulting from transactions conducted in currencies other than the functional currency of the operation in which the transaction occurs, are recognized as part of profit or loss. Monetary assets and liabilities of entities with a functional currency other than the Canadian dollar are translated at the exchange rate in effect at the end of each year and the results of operations are translated at the average exchange rate for each year. The resulting exchange difference is charged to other comprehensive income or loss.

e) Exploration and evaluation expenditures

The Company is in the process of exploring its mineral properties and consequently the costs associated with the acquisition of property rights, including cash consideration paid, direct legal costs incurred and the issuance of shares for mineral property interests are expensed in the statement of profit or loss as incurred. The Company has adopted the policy of expensing exploration and evaluation expenditures incurred prior to the determination that a property has economically recoverable reserves.

2. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

f) Financial instruments

The following table sets out the classifications of the Company's financial assets and liabilities:

Financial assets/liabilities	Classification under IFRS 9
Cash and cash equivalents	Amortized cost
Accounts payable and accrued liabilities	Amortized cost

g) Share-based payment transactions

Share-based payments to employees are measured at the fair value of the instruments issued, based on the Black-Scholes option-pricing model and amortized over the vesting periods. Share-based payments to non-employees are measured at the fair value of the goods or services received or the fair value of the equity instruments issued if it is determined the fair value of the goods or services cannot be reliably measured and are recorded at the date the goods or services are received. The amount recognized as an expense is adjusted to reflect the number of awards expected to vest. The offset to the recorded cost is to equity settled share-based payments reserve.

Consideration received on the exercise of stock options is recorded as share capital and the related equity settled share-based payments reserve is transferred to share capital. Charges for options that are forfeited before vesting are reversed from equity settled share-based payments reserve to contributed surplus.

h) Warrants

The Company values warrants issued as part of a private placement offering under the residual value approach. The fair value attributed to warrants is recorded in warrants reserve within equity. If the warrants are converted, the consideration paid, along with the amount previously recognized in warrant reserve, is recorded as an increase to share capital. Upon expiry of warrants, any fair value attributed is reclassified to contributed surplus.

i) Cash and cash equivalents

Cash and cash equivalents include short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

j) Significant accounting estimates and judgments

The preparation of these consolidated financial statements requires management to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities at the date of the consolidated financial statements and reported amounts of expenses during the reporting period. Actual outcomes could differ from these estimates.

These consolidated financial statements include estimates which, by their nature, are uncertain. The impact of such estimates are pervasive throughout the consolidated financial statements and may require accounting adjustments based on future occurrences. Revisions to accounting estimates are recognized in the period in which the estimate is revised and future periods if the revision affects both current and future periods.

These estimates are based on historical experience, current and future economic conditions and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

2. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

j) Significant accounting estimates and judgments (continued)

Significant assumptions about the future and other sources of estimation uncertainty that management has made at year end that could result in a material adjustment to the carrying amounts of assets and liabilities, in the event that actual results differ from assumptions made, relate to the following:

(i) Critical accounting judgments

- Presentation of the consolidated financial statements as a going concern which assumes that the Company will continue in operation for the foreseeable future, obtain additional financing as required, and will be able to realize its assets and discharge its liabilities in the normal course of operations as they come due.

- The analysis of the functional currency for each entity of the Company. In concluding that the Canadian dollar is the functional currency of the parent and the Mexican peso of its subsidiary company, management considered the currency in which expenditures are incurred for each jurisdiction in which the Company operates. Management also considered secondary indicators including the currency in which funds from financing activities are denominated, the currency in which funds are retained and the degree of autonomy the foreign operation has with respect to operating activities.

k) Initial Application of New and Amended Standards in the Reporting Period

The IASB issued certain new accounting standards or amendments that are mandatory for accounting periods on or after January 1, 2023. The effect of such new accounting standards or amendments did not have a material impact on the Company and therefore the Company did not record any adjustments to the consolidated financial statements.

As part of the new amendments, the Company adopted Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2) from July 1, 2023. Although the amendments did not result in any changes to the accounting policies themselves, they impacted the accounting policy information disclosed in the consolidated financial statements. The amendments require the disclosure of 'material', rather than 'significant', accounting policies. The amendments also provide guidance on the application of materiality to disclosure of accounting policies, assisting entities to provide useful, entity-specific accounting policy information that users need to understand other information in the financial statements. Management reviewed the accounting policies and made updates to the information disclosed in Note 2 Material accounting policy information (June 30, 2023: Significant accounting policies) in certain instances in line with the amendments.

l) New accounting standards issued but not yet effective

Certain new accounting standards or interpretations have been published including IFRS 18 – "Presentation and Disclosure in Financial Statements", that are not mandatory for the current period and have not been early adopted. The Company has not yet evaluated the effect that the new standards will have on the consolidated financial statements.

3. CASH AND CASH EQUIVALENTS

	June 30, 2024	June 30, 2023
	$	$
Cash	54,631	560,970
Redeemable GIC in Canadian dollars including accrued interest at 4.5%	155,883	-
Total cash and cash equivalents	210,514	560,970

4. EXPLORATION AND EVALUATION OF RESOURCE PROPERTIES

Cumulative exploration and evaluation expenditures as of June 30, 2024 and 2023 are $18,050,290.

On October 1, 2021, the properties were placed in care and maintenance. Care and maintenance costs of $81,928 (2023 - $93,882) were incurred in the current year.

Las Minas Project

As at June 30, 2024, the Company owns a 100% interest in the Las Minas and La Miqueta properties, collectively named the Las Minas Project, through its wholly owned subsidiary Roca Verde Exploracion de Mexico, S.A. de C.V. ("Roca Verde"). The project is comprised of six mineral concessions located in the Las Minas district in the state of Veracruz, Mexico consisting of the Pepe, Pepe Tres, San Jose, Pueblo Nuevo, La Luz I and San Valentin mineral concessions.

The project rights were acquired by making staged payments in cash and common shares of the Company to the vendors from 2010 through 2018, under two separate, fully executed option agreements. Each of the vendors retained a 1.5% net smelter return ("NSR") subject to a buyback provision, at the Company's discretion, to purchase one third or 0.5% NSR for US$500,000 from each of the vendors. Pursuant to the terms of the purchase and sale agreement of the Pepe, Pepe Tres and San Jose mineral concessions, Roca Verde has a right of first refusal ("ROFR") in the event that the vendor intends to transfer all or part of the NSR.

On June 17, 2019, the Company entered into a letter agreement ("Letter Agreement") pursuant to which the Company caused its wholly owned subsidiary, Roca Verde, to sell and assign (the "Assignment") the ROFR and the buyback provision allowing the Company to purchase one third or 0.5% NSR for US$500,000 on the Pepe, Pepe Tres and San Jose mineral concessions to 1198578 B.C. Ltd. ("BC Co") for consideration of:

- BC Co making a cash payment of $50,000 direct to Roca Verde (paid);
- BC Co advancing a loan of $450,000 to the Company (paid);
- BC Co depositing $500,000 (the "Escrow Funds") into escrow with the Company's legal counsel, Farris LLP, as escrow agent (paid).

Exercise of Royalty Rights

In the event that BC Co exercises the ROFR prior to the Company's board of directors making a decision to commence production on any portion of the Property (a "Production Decision"), then at the time that a Production Decision is made, the Company must pay BC Co US$500,000 (the "Payment Obligation"), which

(Expressed in Canadian Dollars)

4. EXPLORATION AND EVALUATION OF RESOURCE PROPERTIES (continued)

BC Co must use to exercise the buyback provision to purchase one third or 0.5% NSR from the vendor.

In the event that the Company proposes to sell, transfer, assign or dispose of any portion of the property prior to a Production Decision having been made, the Company must first ensure that any prospective purchaser or transferee of the Property must agree in writing to be bound, in favour of BC Co to:

- satisfy payment of the Payment Obligation in the event that a Production Decision is made; and
- that it shall not to sell, transfer, assign or dispose of any portion of the Property, unless and until the prospective purchaser or transferee of the Property agrees in writing to be bound, in favour of BC Co to satisfy payment of the Payment Obligation in the event that a Production Decision is made.

5. PREPAID EXPENSES AND DEPOSITS

The following table summarizes prepaid expenses and deposits as at June 30, 2024 and 2023:

	June 30, 2024 $	June 30, 2023 $
Consulting fees	-	76,335
Regulatory fees	15,136	14,862
Other	5,544	5,543
Total	20,680	96,740

6. SHARE CAPITAL AND RESERVES

Authorized Share Capital

At June 30, 2024, the authorized share capital comprised an unlimited number of common shares. The common shares do not have a par value. All issued shares are fully paid.

On March 15, 2023, the Company consolidated its common shares on the basis of 1 new share for every 10 old shares (the “Consolidation”). Prior to Consolidation, the Company had 137,342,758 common shares issued and outstanding and subsequent to the Consolidation, the Company had 13,734,280 common shares issued and outstanding. All comparative references herein to the number of shares, options, warrants, weighted average number of common shares and loss per share have been restated for the Consolidation.

No shares were issued in the year ended June 30, 2024.

Details of Issues of Common Shares in the Year ended June 30, 2023

On March 15, 2023, the Company completed a post-Consolidation non-brokered private placement financing for aggregate gross proceeds of $900,000 through the issuance of 7,499,998 units of the Company at a post-Consolidation price of $0.12 per unit. Each unit consisted of one post-Consolidation common share in the capital of the Company and one post-Consolidation share purchase warrant, whereby each warrant shall be convertible into an additional common share at an exercise price of $0.15 for a period of 36 months from the date of issuance. Share issuance costs of $30,814, including finder’s fees of $3,474, were incurred in connection with the financing.

(Expressed in Canadian Dollars)

6. SHARE CAPITAL AND RESERVES (continued)

On August 29, 2022, the Company completed a private placement financing, issuing 1,000,000 units at a price of $0.15 per unit for gross proceeds of $150,000. Each unit consisted of one common share and one share purchase warrant that allows the holder to purchase an additional common share at a price of $0.50 per share for a period of 60 months from the date of issuance. Share issuance costs of $7,339 were incurred in connection with the private placement.

Share Purchase Option Compensation Plan

The Company has a share incentive plan (the "Plan") which is restricted to directors, officers, key employees and consultants of the Company. The number of common shares subject to options granted under the Plan (and under all other management options and employee stock purchase plans) is limited to 10% in the aggregate and 5% with respect to any one optionee of the number of issued and outstanding common shares of the Company at the date of the grant of the option.

The exercise price of each share purchase option is set by the Board of Directors at the time of grant but cannot be less than the market price less allowable discounts in accordance with the policies of the TSX-V.

Share purchase options granted generally vest immediately, are subject to a four-month hold period and may be exercised during a period which cannot exceed ten years, all to be determined by the Board of Directors.

Options outstanding at June 30, 2024 and 2023 are as follows:

Expiry date	Exercise Price	June 30, 2022 and 2023	Cancellations	June 30, 2024	Options exercisable
July 17, 2024*	$1.05	150,000	-	150,000	150,000
September 1, 2024*	$1.15	65,000	(40,000)	25,000	25,000
January 1, 2026	$1.30	100,000	-	100,000	100,000
November 18, 2026	$0.55	200,000	-	200,000	200,000
March 7, 2027	$3.00	54,000	-	54,000	54,000
May 29, 2027	$3.60	15,000	-	15,000	15,000
May 29, 2027	$5.50	25,000	-	25,000	25,000
April 20, 2028	$3.90	6,400	-	6,400	6,400
		615,400	(40,000)	575,400	575,400
Weighted average exercise price $		1.38	1.15	1.40	1.40
Weighted average contractual remaining life (years)		2.52 (2022 - 3.52)	-	1.61	1.61

* Options expired unexercised after June 30, 2024.

Warrants

As a result of the Consolidation, the warrants listed on the TSXV prior to the Consolidation (the “Listed Warrants”) have been subject to adjustment (the “Adjustment”). As a result of the Adjustment, the exercise price of the Listed Warrants is deemed to be increased in proportion to the number of common shares resulting from the Adjustment, such that: (a) the exercise price in respect of all outstanding Listed Warrants will increase from $0.12 to $1.20; and (b) every ten Listed Warrants held by a holder will be exercisable to acquire one common share at an exercise price of $1.20.

(Expressed in Canadian Dollars)

6. SHARE CAPITAL AND RESERVES (continued)

Warrants (continued)

The continuity and/or balance of warrants for the years ended June 30, 2024 and 2023 is as follows:

Warrants convertible at ten warrants for one common share (Ten warrants to be redeemed for $1.20):

Expiry date	Exercise Price	June 30, 2022	June 30, 2023	June 30, 2024
July 15, 2024 *	$1.20	45,999,000	45,999,000	45,999,000
Weighted average exercise price $		1.20	1.20	1.20
Weighted average remaining life (years)		2.04	1.04	0.04

* Warrants expired unexercised after June 30, 2024

Warrants convertible at one warrant for one common share:

Expiry date	Exercise Price	June 30, 2023	Issued	June 30, 2024
August 29, 2027	$0.50	1,000,000	-	1,000,000
March 15, 2026	$0.15	7,499,998	-	7,499,998
		8,499,998	-	8,499,998
Weighted average exercise price $		0.19	-	0.19
Weighted average remaining life (years)		2.88	-	1.88

Expiry date	Exercise Price	June 30, 2022	Issued	June 30, 2023
August 29, 2027	$0.50	-	1,000,000	1,000,000
March 15, 2026	$0.15	-	7,499,998	7,499,998
		-	8,499,998	8,499,998
Weighted average exercise price $			0.19	0.19

7. GENERAL AND ADMINISTRATIVE EXPENSES

The following table summarizes the general and administrative expenses incurred for the years ended June 30, 2024 and 2023:

	2024 $	2023 $
Corporate development and investor relations	4,125	9,806
Office and sundry	60,132	66,054
Salaries and consulting (note 9)	213,989	204,644
Transfer agent and filing fees	44,432	58,097
Travel	650	1,379
Total	323,328	339,980

(Expressed in Canadian Dollars)

8. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

On October 17, 2023, the Company entered into a debt forgiveness agreement, with a former consultant, for an amount payable in the amount of $52,000 in which the respective amount was forgiven. The gain on forgiveness of debt is included in the consolidated statements of loss and comprehensive loss for the current year.

9. RELATED PARTY BALANCES AND TRANSACTIONS

Key management personnel compensation

Key management personnel include those persons having authority and responsibility for planning, directing and controlling the activities of the Company as a whole. The Company has determined that key management personnel consist of corporate officers and executive and non-executive members of the Company's Board of Directors.

During the years ended June 30, 2024 and 2023, key management personnel compensation, included in general and administrative expenses, was as follows:

	June 30,	
Year ended	2024	2023
	$	$
Consulting fees paid to the CEO	60,000	60,000
Consulting fees paid to the CFO	36,000	36,000
Directors fees	12,000	12,000
	108,000	108,000

As at June 30, 2024, $6,000 (June 30, 2023 - $21,966) is included in accounts payable and accrued liabilities for amounts owed to officers and directors. Amounts due to or from related parties are unsecured, non-interest bearing and have no specified terms of repayment.

10. SEGMENTED INFORMATION

The Company currently operates in one operating segment, the exploration of resource properties in Mexico. Management of the Company makes decisions about allocating resources based on the one operating segment. The Company's total assets and liabilities are segmented geographically as follows:

	June 30, 2024		
	Canada	Mexico	Total
	$	$	$
Current Assets	208,459	23,496	231,955
Current Liabilities	(6,999)	(12,410)	(19,409)
Total Equity	201,460	11,086	212,546
Loss for the year	(257,957)	(125,507)	(383,464)

(Expressed in Canadian Dollars)

10. SEGMENTED INFORMATION (Continued)

	June 30, 2023		
	Canada $	Mexico $	Total $
Current Assets	606,390	80,511	686,901
Current Liabilities	(79,600)	(17,079)	(96,679)
Total Equity	526,790	63,432	590,222
Loss for the year	(341,446)	(145,153)	(486,599)

11. FINANCIAL INSTRUMENTS

The Company's operations include the acquisition and exploration of mineral properties in Mexico. The Company examines the various financial risks to which it is exposed and assesses the impact and likelihood of occurrence. These risks may include credit risk, liquidity risk, currency risk, interest rate risk and other risks. Where material, these risks are reviewed and monitored by the Board of Directors.

(a) Fair Values

The Company's financial assets and liabilities are measured and recognized according to a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets and liabilities and the lowest priority to unobservable inputs. The three levels of fair value hierarchy are as follows:

Level 1 – Unadjusted quoted prices in active markets that are accessible at the measurement date for identical, unrestricted assets or liabilities.

Level 2 – Quoted prices in markets that are not active, or inputs, other than quoted prices included in Level 1, that are observable, either directly or indirectly, for substantially the full term of the asset or liability.

Level 3 – Prices or valuation techniques that require inputs that are both significant to the fair value measurement and unobservable (supported by little or no market activity).

The Company does not have financial instruments carried at fair value.

The Company’s financial instruments consist of cash and cash equivalents and accounts payable and accrued liabilities. The carrying values of cash and cash equivalents and accounts payable and accrued liabilities approximate their fair values due to the short-term maturity of these financial instruments.

(b) Financial Instrument Risk Exposure

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 does not have financial instruments that potentially subject the Company to credit risk. The Company’s credit risk has not changed significantly from the prior year. The Company places its cash and cash equivalents with financial institutions with high credit ratings, therefore the credit risk is minimal and limited to its carrying amount.

11. FINANCIAL INSTRUMENTS (Continued)

(b) Financial Instrument Risk Exposure (Continued)

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 in place a planning and budgeting process to help determine the funds required to ensure the Company has the appropriate liquidity to meet its operating and growth objectives. The Company has historically relied on issuance of shares to fund exploration programs and may require doing so again in the future. The Company has $19,409 in accounts payable and accrued liabilities that are due within one year of the date of the consolidated statement of financial position.

Market risk

(i) Currency risk

Foreign currency risk is the risk that the fair values of future cash flows of a financial instrument will fluctuate because it is denominated in a currency that differs from the functional currency of the respective entity. The functional currency of the parent company is the Canadian dollar and the functional currency of the operating subsidiary is the Mexican peso. As of June 30, 2024, the Company has US dollar denominated assets of $45,002 and US dollar denominated liabilities of $Nil. Based on this net US dollar exposure, at June 30, 2024, a 10% change in the Canadian dollar to the US dollar exchange rate would impact the Company's net income or loss by $4,500.

(ii) Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate due to changes in market interest rates. The Company has no debt and holds its cash in a short term redeemable guaranteed investment certificate and, as such, the Company is not exposed to interest rate risk.

(iii) Price risk

Commodity price risk is defined as the potential adverse impact on earnings and economic value due to commodity price movements and volatilities. The Company's property has exposure to commodity prices. Commodity prices, especially gold, greatly affect the value of the Company and the potential value of its property and investments.

12. CAPITAL MANAGEMENT

The Company's objectives when managing capital are:

- To safeguard its ability to continue as a going concern in order to develop and operate its current projects;
- Pursue strategic growth initiatives; and
- To maintain a flexible capital structure which lowers the cost of capital.

In assessing the capital structure, management includes in its assessment the components of equity. In order to facilitate the management of capital requirements, the Company prepares expenditure budgets and continuously monitors and reviews actual and forecasted cash flows. To maintain or adjust the capital structure, the Company may, from time to time, issue new shares, issue new debt, repay debt or dispose of non-core assets. The Company's current capital resources are insufficient to carry out exploration plans and support operations

(Expressed in Canadian Dollars)

12. CAPITAL MANAGEMENT (Continued)

through the current operating period. The Company is dependent upon the ability to raise additional funding to meet its obligations and commitments.

The Company is not subject to any externally imposed capital requirements.

There were no changes in the Company's approach to capital management during the years ended June 30, 2024 and 2023.

13. INCOME TAXES

The recovery of income taxes shown in the consolidated statements of loss and comprehensive loss differs from the amounts obtained by applying statutory rates to the loss before provision for income taxes due to the following:

	2024	2023
	$	$
Loss before income taxes	(383,464)	(486,599)
Income tax recovery at statutory rate	(103,535)	(131,382)
Tax differential on foreign operations and change in statutory and foreign tax rates	(3,765)	(4,355)
Adjustment to prior year provision versus statutory returns	-	(25,000)
Other timing differences	(2,107)	(20,263)
Change in unrecognized temporary differences	109,407	181,000
Income tax recovery	-	-
Statutory tax rate	27.00%	27.00%

The unrecognized deductible temporary differences as at June 30, 2024 and 2023 are comprised of the following:

	2024	Expiry	2023
	$		$
Mineral property interests	5,656,000	None	5,881,000
Non-capital losses	24,473,000	2027-2044	24,294,000
Property and equipment	72,000	None	72,000
Share issuance costs	25,000	2025-2027	58,000
	30,226,000		30,305,000