
BMEX Gold Inc.

CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE PERIODS ENDED MAY 31, 2023 AND 2022

(Expressed in Canadian Dollars)

(Unaudited – Prepared by Management)

NOTICE OF NO AUDITOR REVIEW OF INTERIM FINANCIAL STATEMENTS

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

The accompanying unaudited interim financial statements of the Company have been prepared by and are the responsibility of the Company's management.

The Company's independent auditor has not performed a review of these financial statements in accordance with standards established by the Chartered Professional Accountants of Canada for a review of interim financial statements by an entity's auditor

BMEX GOLD INC.
CONDENSED INTERIM STATEMENTS OF FINANCIAL POSITION
AS AT MAY 31, 2023 and AUGUST 31 2022
(Expressed in Canadian Dollars)
(Unaudited)

	May 31, 2023	August 31, 2022
ASSETS		
Current assets		
Cash	\$ 741,815	\$ 1,418,839
GST receivables	83,708	16,344
Prepaid expenses (Note 4)	6,356	10,625
Total current assets	831,879	1,445,808
Non-current assets		
Prepaid exploration and evaluation deposit	45,289	135,000
Exploration and evaluation assets (Note 5)	13,824,324	12,615,469
Equipment (Note 6)	371	632
TOTAL ASSETS	\$ 14,701,863	\$ 14,196,909
LIABILITIES		
Current liabilities		
Accounts payable (Note 8)	\$ 279,150	\$ 264,521
Flow-through premium (Note 7)	118,886	324,313
Total current liabilities	398,036	588,834
SHAREHOLDERS' EQUITY		
Share capital	16,958,652	16,446,104
Share-based payment reserve	1,527,037	1,368,352
Contributed surplus	360,000	260,000
Accumulated deficit	(4,541,862)	(4,466,381)
TOTAL SHAREHOLDERS' EQUITY	14,303,827	13,608,075
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	\$ 14,701,863	\$ 14,196,909

Nature of operations and going concern (Note 1)

These condensed interim financial statements were approved for issue by the Board of Directors on July 28, 2023 and are signed on its behalf by:

On behalf of the Board:

"Robert Pryde" Director "Verlee Webb" Director

BMEX GOLD INC.**CONDENSED INTERIM STATEMENTS OF NET INCOME (LOSS) AND COMPREHENSIVE INCOME (LOSS)
FOR THE THREE AND NINE MONTHS ENDED MAY 31, 2023 AND 2022***(Expressed in Canadian dollars)**(Unaudited)*

	Three months ended		Nine months ended	
	May 31, 2023	May 31, 2022	May 31, 2023	May 31, 2022
EXPENSES				
Advertising and marketing	\$ -	\$ 2,868	\$ 12,488	\$ 89,165
Amortization (Note 5)	87	193	261	579
Consulting (Notes 7 & 8)	12,000	38,276	40,811	175,412
Directors' fees (Note 8)	29,945	39,321	100,087	93,448
Executive compensation (Notes 7 & 8)	36,000	31,000	108,000	110,000
Management fees (Note 8)	-	-	-	43,500
Office and administration (Note 8)	4,712	6,959	15,755	23,645
Professional fees	11,530	22,352	38,122	40,279
Rent (Note 8)	-	-	-	37,500
Share-based compensation (Notes 7 & 8)	-	-	54,787	53,183
Transfer agent and regulatory fees	2,224	4,070	49,207	45,995
Travel, meals and related costs	1,930	594	24,047	8,247
	(98,428)	(145,633)	(443,565)	(743,305)
Other Income (Note 7)	18,479	21,507	345,927	406,848
Recovery on income tax expense	3,661	-	23,170	-
Gain (loss) on foreign exchange	1	-	(1,013)	(616)
Net income (loss) and comprehensive income (loss) for the period	\$ (76,287)	\$ (124,126)	\$ (75,481)	\$ (337,073)
Basic and diluted earnings per common share	\$ (0.00)	\$ (0.00)	\$ (0.00)	\$ (0.01)
Weighted average number of common shares outstanding	76,063,432	66,695,795	71,946,216	66,242,553

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

BMEX GOLD INC.
CONDENSED INTERIM STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
(Expressed in Canadian dollars)
(unaudited)

	Number of shares	Share capital	Share- based payment reserve	Contributed surplus	Deficit	Total shareholders' equity
August 31, 2021	62,696,765	\$ 15,846,104	\$ 1,195,711	\$ -	\$ (4,054,749)	\$ 12,987,066
Shares issued for exploration and evaluation assets	4,000,000	600,00	-	-	-	600,00
RSUs issued for consulting and directors fees	-	-	76,860	-	-	76,860
Share-based compensation	-	-	53,183	-	-	53,183
Loss and comprehensive loss for the period	-	-	-	-	(337,073)	(337,073)
May 31, 2022	66,696,765	\$ 16,446,104	\$ 1,325,754	\$ -	\$ (4,391,822)	\$ 13,380,036
August 31, 2022	66,696,765	\$ 16,446,104	\$ 1,368,352	\$ 260,000	\$ (4,466,381)	\$ 13,608,075
Shares issued for private placement	9,366,667	562,000	-	-	-	562,000
Share issuance costs - cash	-	(49,452)	-	-	-	(49,452)
RSUs issued for consulting and directors fees	-	-	103,898	-	-	103,898
Share-based compensation	-	-	54,787	-	-	54,787
Shareholder contribution	-	-	-	100,000	-	100,000
Loss and comprehensive loss for the period	-	-	-	-	(75,481)	(75,481)
May 31, 2023	76,063,432	\$ 16,958,652	\$ 1,527,037	\$ 360,000	\$ (4,541,862)	\$ 14,303,827

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

BMEX GOLD INC.
CONDENSED INTERIM STATEMENTS OF CASH FLOW
FOR THE NINE MONTHS ENDED MAY 31, 2023 and 2022
(Expressed in Canadian dollars)
(Unaudited)

	May 31, 2023	May 31, 2022
CASH FLOWS FROM OPERATING ACTIVITIES		
Net loss for the period	\$ (75,481)	\$ (337,073)
Items not involving cash:		
Amortization	261	579
Share-based compensation	54,787	53,183
RSUs issued for directors' fees	100,087	70,948
RSUs issued for consulting fees	3,811	5,912
Other Income	(345,927)	(406,848)
Recovery of accrued taxes	(23,170)	-
Changes in non-cash operating working capital:		
GST receivable	(67,364)	189,819
Prepaid	4,269	69,984
Accounts payable and accrued liabilities	119	(28,254)
Net cash used in operating activities	(348,608)	(381,750)
CASH FLOWS FROM INVESTING ACTIVITIES		
Prepayment of exploration and evaluation	(150,000)	-
Refund of exploration and evaluation deposit	135,000	-
Exploration and evaluation assets	(1,066,464)	(1,068,992)
Net cash used in investing activities	(1,081,464)	(1,068,992)
CASH FLOWS FROM FINANCING ACTIVITIES		
Private placement of flow-through shares	702,500	-
Share issuance costs	(49,452)	-
Shareholder contribution	100,000	-
Net cash provided by financing activities	753,048)	-
Change in cash during the period	(677,024)	(1,450,742)
Cash, beginning of period	1,418,839	2,757,978
Cash, end of period	\$ 741,815	\$ 1,307,236
Cash paid for interest	\$ -	\$ -
Cash paid for income taxes	\$ -	\$ -

During the period ended May 31, 2023, the Company had the following non-cash transactions affecting cash flows from investing and financing activities:

- Included in accounts payable and accrued liabilities as at May 31, 2023 is \$93,344 for exploration and evaluation assets (August 31, 2021 - \$55,664).
- The Company applied \$104,711 of prepaid exploration and evaluation advances to amounts owing on the exploration and evaluation assets.

During the period ended May 31, 2022, the Company had the following non-cash transactions affecting cash flows from investing and financing activities:

- The Company issued 4,000,000 shares valued at \$600,000 for the acquisition of exploration and evaluation assets
- Included in accounts payable and accrued liabilities as at May 31, 2022 is \$51,497 for exploration and evaluation assets (August 31, 2021 - \$228,677).

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

BMEX GOLD INC.
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE PERIOD ENDED MAY 31, 2023 AND 2022
(Expressed in Canadian Dollars)
(Unaudited)

1. Nature of Operations and Going Concern

BMEX Gold Inc. (the “Company”) was incorporated on July 10, 2017 under the Business Corporations Act (British Columbia). On February 22, 2018 the Company’s common shares were listed on TSX Venture Exchange (“TSXV”) as a Tier 2 resource company under the trading symbol “MRI”. On August 31, 2020, the Company’s trading symbol changed to “BMEX”. The Company’s principal office is located at Suite 2700 – 1177 W. Hastings Street, Vancouver, B.C. V6E 2K3.

In March 2020, the World Health Organization declared coronavirus COVID-19 a global pandemic. This contagious disease outbreak, which has continued to spread, and any related adverse public health developments, has adversely affected workforces, economies, and financial markets globally, potentially leading to an economic downturn. The impact on the Company to continue operations has not been significant.

The Company had working capital of \$433,843 and an accumulated deficit of \$4,541,862 as at May 31, 2023.

While the Company has been successful in securing financing in the past there can be no assurance that it will be able to do so in the future. These factors indicate the existence of material uncertainties that may cast significant doubt about the Company’s ability to continue as a going concern, and accordingly, the appropriateness of the use of accounting principles applicable to a going concern. The Company has not yet determined whether its properties contain economically recoverable reserves and expects to incur further losses in the exploration of its properties.

These condensed interim financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”) on a going concern basis, which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business. These financial statements do not include adjustments to amounts and classifications of assets and liabilities that might be necessary should the Company be unable to continue operations. These adjustments could be material.

2. Basis of Preparation

Statement of Compliance

These condensed interim financial statements have been prepared in accordance with IAS 34, Interim Financial Reporting (“IAS 34”), as issued by the International Accounting Standards Board (“IASB”), and its interpretations, using accounting policies consistent with International Financial Reporting Standards (“IFRS”). The condensed interim financial statements should be read in conjunction with the audited financial statements for the year ended August 31, 2022, which have been prepared in accordance with IFRS as issued by the IASB and interpretations of the IFRS Interpretations Committee (“IFRIC”). The accounting policies followed in these condensed interim financial statements are consistent with those applied in the Company’s financial statements for the year ended August 31, 2022.

Basis of Measurement

The Company’s financial statements have been prepared on the historical cost basis except for the revaluation of certain financial assets and financial liabilities to fair value. The financial statements are presented in Canadian dollars unless otherwise stated.

BMEX GOLD INC.
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE PERIOD ENDED MAY 31, 2023 AND 2022
(Expressed in Canadian Dollars)
(Unaudited)

3. Significant Accounting Policies

The accounting policies set out in the audited consolidated financial statements for the year ended August 31, 2022 have been applied consistently to all periods presented in these condensed interim consolidated financial statements.

Critical Judgments and Sources of Estimation Uncertainty

The preparation of these 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 financial statements and reported amounts of expenses during the reporting period. Actual outcomes could differ from these estimates. These financial statements include estimates which, by their nature, are uncertain. The impacts of such estimates are pervasive throughout the 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.

Critical Judgments

The following are critical judgments that management has made in the process of applying accounting policies and that have the most significant effect on the amounts recognized in the financial statements:

- (i) The determination of categories of financial assets and financial liabilities has been identified as an accounting policy which involves judgments or assessments made by management.
- (ii) Management is required to assess whether there is evidence of impairment in respect of exploration and evaluation assets. The triggering events for an impairment test are defined in IFRS 6. In making the assessment, management is required to make judgments on the status of each project and the future plans towards finding commercial reserves. The nature of exploration and evaluation activity is such that only a proportion of projects are ultimately successful and some assets are likely to become impaired in future periods.
- (iii) The assessment of the probability of future taxable income in which deferred tax assets can be utilized is based on the Company's estimate of future profits or losses adjusted for significant non-taxable income and expenses and specific limits to the use of any unused tax loss or credit. The tax rules in the jurisdictions in which the Company operates are also carefully taken into consideration. If a positive forecast of taxable income indicates the probable use of a deferred tax asset, especially when it can be utilized without a time limit, that deferred tax asset is usually recognized to the extent of the amount expected to be utilized. The recognition of deferred tax assets that are subject to certain legal or economic limits or uncertainties is assessed individually by management based on the specific facts and circumstances.

BMEX GOLD INC.
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3. Significant Accounting Policies (continued...)

Critical Judgments and Sources of Estimation Uncertainty (continued...)

Estimation Uncertainty

The following are key assumptions concerning the future and other key sources of estimation uncertainty that have a significant risk of resulting in a material adjustment to the carrying amount of assets and liabilities within the next financial year:

- (i) Amortization expense is allocated based on assumed useful life of property, plant and equipment. Should the useful life differ from the initial estimate, an adjustment would be made in the statement of net income loss) and comprehensive (income) loss.
- (ii) Decommissioning, restoration and similar liabilities are estimated based on the Company's interpretation of current regulatory requirements, constructive obligations and are measured at fair value.
- (iii) Provisions for income taxes are made using the best estimate of the amount expected to be paid based on a qualitative assessment of all relevant factors. The Company reviews the adequacy of these provisions at the end of the reporting period. However, it is possible that at some future date an additional liability could result from audits by taxing authorities. Where the final outcome of these tax-related matters is different from the amounts that were originally recorded, such differences will affect the tax provisions in the period in which such determination is made.
- (iv) The assessment of any impairment of non-current assets is dependent upon estimates of the recoverable amount that take into account factors such as reserves, economic and market conditions, recoverability of value added taxes and the useful lives of assets.
- (v) Estimating the fair value for granted stock options and compensatory warrants requires determining the most appropriate valuation model which is dependent on the terms and conditions of the grant. This estimate also requires determining the most appropriate model including the expected life of the option or warrant, volatility, dividend yield, and rate of forfeitures and making assumptions about them.

4. Prepaid Expenses

Prepaid expenses as at May 31, 2023 consist of the following:

	May 31, 2023		August 31, 2022	
Prepaid advertising and marketing	\$	-	\$	8,425
Prepaid insurance		6,356		2,200
	\$	6,356	\$	10,625

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5. Exploration and Evaluation Assets

King Tut Property, Ligneris and Celoron Townships in the Province of Quebec

On August 11, 2020 (the “Agreement Date”), the Company and Greg Exploration Inc. (the “Optionor”) reached an agreement to option the King Tut Property located in the Ligneris and Celoron townships in the Province of Quebec. The Company entered into an amended agreement on August 1, 2021. Under the terms of the option agreement and the amended agreement, the Company has the right to acquire 100% ownership in certain mineral claims, for the following consideration:

- (i) Pay \$200,000 on signing of the agreement (paid);
- (ii) Pay \$100,000 on the 6 month anniversary of the Agreement Date (paid);
- (iii) Issue 2,000,000 common shares within five business days of TSXV approval of the amended agreement. (issued).

Greg Exploration Inc. will retain a 2% net smelter returns royalty, with an additional 1% net smelter returns royalty on a subset of claims. The Company may purchase the 1% net smelter royalty on the subset of claims for \$1,000,000 at any time.

The Company also agreed to make the following milestone payments to the Optionor:

- Upon receipt by the Company of an independent technical report prepared in accordance with National Instrument 43-101 confirming the existence of a mineral resource on the Property containing at least 500,000 ounces of gold in the measured and indicated categories, the Company shall pay to the two Optionors a payment of \$500,000 in cash, or, at the option of the Optionee, in common shares of the Company.
- Upon completion and delivery of a positive pre-feasibility study on the property, the Company shall also pay to the Optionor \$500,000, in cash, or, at the option of the Company, in common shares of the Company.

In addition to the payments above, the Company paid a cash finders fee of \$36,000 for this property.

Dunlop Bay Property, Matagami in the Province of Quebec

On November 12, 2020 (the “Agreement Date”), the Company and six arm’s-length optionors, namely 9219-8845 QC Inc., Anna-Rosa Giglio, Tony Perron, Steve LaBranche, Serge Robert, and Alain Theberge (collectively, the “Optionors”) reached an agreement to option the Dunlop Bay Property located near Matagami in the Province of Quebec. The Company entered into an amended agreement on August 1, 2021. Under the option agreement and the amended agreement, the Company has the right to acquire 100% ownership in 76 mineral claims, for an aggregate of 15,000,000 of its common shares and payment of an aggregate \$300,000 in cash as follows:

- (i) 6,500,000 common shares of the Company upon receipt of TSX Venture Exchange acceptance of the Agreement (the “Approval Date”) (issued);
- (ii) 6,500,000 common shares of the Company within three months of the Approval Date (issued);
- (iii) \$200,000 on completion of the Optionee’s next equity financing; (paid)
- (iv) \$100,000 on the 6 month anniversary of the Approval Date; (paid)
- (v) Issue 2,000,000 common shares within five business days of TSXV approval of the amended agreement. (issued).

Optionors will retain a 2% net smelter returns royalty.

The Company also agreed to make the following milestone payments to two Optionors:

- Upon receipt by the Company of an independent technical report prepared in accordance with National Instrument 43-101 confirming the existence of a mineral resource on the Property containing at least 500,000 ounces of gold in the measured and indicated categories, the Company shall pay to the two Optionors a payment of \$500,000 in cash, or, at the option of the Optionee, in common shares of the Company.
- Upon completion and delivery of a positive pre-feasibility study on the property, the Company shall also pay to the two Optionors \$500,000, in cash, or, at the option of the Company, in common shares of the Company.

In addition to the payments above, the Company paid a finders’ fee of \$43,500 and 625,000 shares valued at \$468,750 for this property.

BMEX GOLD INC.
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE PERIOD ENDED MAY 31, 2023 AND 2022
(Expressed in Canadian Dollars)
(Unaudited)

5. Exploration and Evaluation Assets (continued...)

The following is a summary of exploration and evaluation assets as at March 31, 2023:

	King Tut Property		Dunlop Bay Property	Total
Acquisition costs				
Balance, August 31, 2021	\$ 336,000	\$ 8,872,250	\$ 9,208,250	
Option payments	300,000	300,000	600,000	
Balance, August 31, 2022 and May 31, 2023	\$ 636,000	\$ 9,172,250	\$ 9,808,250	
Exploration and evaluation costs				
Balance, August 31, 2021	\$ 1,475,076	\$ 270,913	\$ 1,745,989	
Consulting	167,984	85,703	253,687	
Drilling	460,148	-	460,148	
Geological core logging	23,994	12,097	36,091	
Geological modelling	-	50,237	50,237	
Geological reports	-	9,424	9,424	
Survey	34,407	164,786	199,193	
Transportation and roads	52,450	-	52,450	
Balance, August 31, 2022	2,214,059	\$ 593,160	\$ 2,807,219	
Consulting	74,130	115,733	189,863	
Drilling	-	875,467	875,467	
Geological core logging	825	53,469	54,294	
Geological modelling	6,800	1,072	7,872	
Laboratory sampling	30,399	-	30,399	
Survey	-	43,044	43,044	
Taxes	4,494	3,322	7,916	
Balance, May 31, 2023	\$ 2,330,807	\$ 1,685,267	\$ 4,016,074	
Total acquisition and exploration and evaluation costs				
Balance, August 31, 2022	\$ 2,850,059	\$ 9,765,410	\$ 12,615,469	
Balance, May 31, 2023	\$ 2,966,807	\$ 10,772,383	\$ 13,824,324	

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

BMEX GOLD INC.
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE PERIOD ENDED MAY 31, 2023 AND 2022
(Expressed in Canadian Dollars)
(Unaudited)

6. Equipment

Equipment is carried at cost less accumulated amortization. Details are as follows:

	Equipment
Cost	
Balance, August 31, 2021, 2022 and May 31, 2023	\$ 7,622
Accumulated amortization	
Balance, August 31, 2021	\$ 6,218
Additions	772
Balance, August 31, 2022	\$ 6,990
Additions	261
Balance, May 31, 2023	\$ 7,251
Net book value	
Balance, August 31, 2022	\$ 632
Balance, May 31, 2023	\$ 371

7. Share Capital

(a) ***Authorized Share Capital***

The Company's authorized share capital consists of an unlimited number of common shares without par value and unlimited preferred shares without par value. All issued common shares are fully paid.

(b) ***Share Capital Transactions***

During the period ended May 31, 2023:

- The Company completed a private placement through the issuance of 9,366,667 flow-through shares at a price of \$0.075 per share for gross proceeds of \$702,500. The Company determined that the flow-through premium associated with this issuance was \$140,500 (or \$0.015 per share). In connection with the closing, the Company incurred \$49,452 of share issuance costs.

During the year ended August 31, 2022:

- The Company issued 2,000,000 shares valued at \$300,000, as acquisition costs for the King Tut Property. (Note 5).
- The Company issued 2,000,000 shares valued at \$300,000, as acquisition costs for the Dunlop Bay Property. (Note 5).

BMEX GOLD INC.
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE PERIOD ENDED MAY 31, 2023 AND 2022
(Expressed in Canadian Dollars)
(Unaudited)

7. Share Capital (continued...)

(c) ***Flow-through premium***

During the year ended August 31, 2021, the Company closed a private placement through the issuance of 6,666,666 flow-through units of the Company at a price of \$0.5325 per unit for gross proceeds of \$3,550,000. The Company determined that the flow through premium associated with the issuance was \$1,500,000.

During the period ended May 31, 2023, the Company closed a private placement through the issuance of 9,366,667 flow-through shares of the Company at a price of \$0.075 per unit for gross proceeds of \$702,500. The Company determined that the flow through premium associated with the issuance was \$140,500.

The flow-through premium liability gets reduced as the Company spends eligible expenditures on its properties.

The following is a continuity of the Company's flow-through premium liability:

	Flow-through premium liability	
Balance, August 31, 2021	\$	787,667
Other income		(463,354)
Balance, August 31, 2022		324,313
Additions		140,500
Other income		(345,927)
Balance, May 31 2023	\$	118,886

(d) ***Stock Options***

The Company has established a rolling share option plan (the "Plan"), in which the maximum number of common shares which can be reserved for issuance under the Plan is 10% of the issued and outstanding shares of the Company. The minimum exercise price of the options is set at the Company's closing share price on the day before the grant date, less allowable discounts. Options granted may be subject to vesting provisions as determined by the Board of Directors and have a maximum term of ten years.

During the period ended May 31, 2023, the Company granted 1,200,000 (2022 – 550,000) options to its officers and directors, with a weighted average fair value of \$0.05 (2022 - \$0.13) per option. The compensation expense recorded during the period ended May 31, 2023 for the options which had vested was \$54,787 (2022 - \$53-183).

The fair value of the stock options granted was estimated using the Black-Scholes option pricing model using the following assumptions:

	Period ended May 31, 2023	Period ended May 31, 2022
Risk-free interest rate	2.90%	1.32%
Estimated volatility	119.17%	103.64%
Expected life	5 years	5 years
Expected dividend yield	0%	0%
Estimated forfeiture rate	0%	0%

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NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
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(Expressed in Canadian Dollars)
(Unaudited)

7. **Share Capital (continued...)**

(d) ***Stock Options (continued...)***

A summary of changes in the Company's stock options is as follows:

	Number of options	Weighted average exercise price
Balance, August 31, 2021	2,950,000	\$0.21
Granted	550,000	\$0.15
Expired	(50,000)	\$0.18
Forfeited	(150,000)	\$0.34
Balance, August 31, 2022	3,300,000	\$0.20
Granted	1,200,000	\$0.06
Expired	(1,800,000)	\$0.18
Balance, May 31, 2023	2,700,000	\$0.15

The following table summarizes information about the share options outstanding and exercisable at May 31, 2023:

Number of options outstanding	Number of options exercisable	Exercise price	Remaining life (years)	Expiry date
550,000	550,000	\$0.30	1.23	August 21, 2024
200,000	200,000	\$0.26	3.01	June 4, 2026
200,000	200,000	\$0.19	3.18	August 3, 2026
100,000	100,000	\$0.18	3.25	August 30, 2026
450,000	450,000	\$0.15	3.55	December 16, 2026
1,200,000	1,200,000	\$0.055	4.55	December 15, 2027
2,700,000	2,700,000	\$0.15	3.44	

(e) ***Warrants***

A summary of changes in the Company's warrants is as follows:

	Number of warrants	Weighted average exercise price
Balance, August 31, 2021	9,470,600	\$0.48
Expired	(9,470,600)	\$0.48
Balance, August 31, 2022 and May 31, 2023	-	\$ -

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(Expressed in Canadian Dollars)
(Unaudited)

7. Share Capital (continued...)

(f) ***Restricted share units***

During the year ended August 31, 2021, the Company approved and adopted, a Performance and Restricted Share Unit (RSU) Plan.

During the period ended May 31, 2023, the Company granted 2,160,000 restricted share units to its directors in lieu of directors' fees. These RSUs vest on December 15, 2023, and expire December 15, 2024. During the period ended May 31, 2023, \$54,356 was recorded as directors' fees associated with the RSUs issued (Note 8).

During the year ended August 31, 2022:

- On December 16, 2021, 1,200,000 RSUs were granted to directors of the Company in lieu of directors fees to be paid from the period of December 1, 2021 to December 1, 2022. These RSUs vest on December 16, 2022, and expire on December 16, 2023. During the period ended May 31, 2023, \$45,731 (2022 - \$70,948) was recorded as directors' fees associated with the RSUs issued. (Note 8).
- On December 16, 2021, 100,000 RSUs were granted to a consultant of the Company. These RSUs vest on December 16, 2022, and expire on December 16, 2023. During the period ended May 31, 2023, \$3,811 (2022 - \$5,912) was recorded as consulting fees associated with the RSUs issued.
- 2,960,000 RSUs issued during the year ended August 31, 2021 were cancelled.

A summary of changes in the Company's RSUs is as follows:

	Number of RSUs
Balance, August 31, 2021	2,960,000
Granted	1,300,000
Expired	(2,960,000)
Balance, August 31, 2022	1,300,000
Granted	2,160,000
Balance, May 31, 2023	3,460,000

The following table summarizes information about the RSUs outstanding at May 31, 2023

Number of RSUs outstanding	Vesting conditions	Remaining life (years)	Expiry date
1,300,000	RSUs vested on December 16, 2022	0.55	December 16, 2023
2,160,000	RSUs will vest on December 15, 2023	1.55	December 15, 2024
3,460,000		1.17	

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8. Related Party Disclosures

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company. The Company has determined that its key management personnel are the members of the Company's current and former Board of Directors and its executive officers.

During the periods ended May 31, 2023 and 2022 the Company incurred the following transactions with key management personnel and other related parties:

	Three months ended May 31, 2023	Three months ended May 31, 2022	Nine months ended May 31, 2023	Nine months ended May 31, 2022
Executive compensation - CEO	\$ 21,000	\$ 21,000	\$ 63,000	\$ 70,000
Executive compensation - CFO	15,000	10,000	45,000	40,000
Share-based compensation	-	-	54,787	53,183
Directors' fees (RSUs issued)	29,945	39,321	100,087	93,448
	\$ 65,945	\$ 70,321	\$ 262,874	\$ 256,631

Included in accounts payable and accrued liabilities at May 31, 2023 is \$63,117 (August 31, 2022 - \$76,650) owed to directors, and officers of the Company.

9. Financial Instruments

Fair values

Financial instruments are classified into one of the following categorized: fair value through profit and loss ("FVTPL"); amortized cost; and fair value through other comprehensive income ("FVTOCI"). The carrying value of the Company's financial instruments are classified into the following categories:

Financial Instrument	Category	May 31, 2023		August 31, 2022	
Cash	FVTPL	\$	741,815	\$	1,418,839
Accounts payable and accrued liabilities	Amortized cost	\$	279,150	\$	264,521

Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy based on the degree to which the inputs used to determine the fair value are observable. The three levels of the fair value hierarchy are:

Level 1 - Quoted prices are available in active markets for identical assets or liabilities as of the reporting date. Active markets are those in which transactions occur in sufficient frequency and value to provide pricing information on an ongoing basis.

Level 2 - Pricing inputs are other than quoted prices in active markets included in Level 1. Prices in Level 2 are either directly or indirectly observable as of the reporting date. Level 2 valuations are based on inputs including quoted forward prices for commodities, time value and volatility factors, which can be substantially observed or corroborated in the market place.

Level 3 - Valuations in this level are those with inputs for the asset or liability that are not based on observable market data.

The Company's financial instruments consist of cash, and accounts payable and accrued liabilities. Cash is measured at fair value, using level 1 inputs. The fair value of accounts payable and accrued liabilities approximates its carrying amounts due to its current nature.

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9. Financial Instruments (continued...)

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

Credit Risk

Financial instruments that potentially subject the Company to a concentration of credit risk consist primarily of cash. The Company limits its exposure to credit loss by depositing its cash with high credit quality financial institutions. The carrying amount of financial assets represents the maximum credit exposure.

Liquidity Risk

Liquidity risk is managed by ensuring sufficient financial resources are available to meet obligations associated with financial liabilities. All of the Company's financial liabilities are classified as current and the Company has a practice of paying their outstanding payables within 30 days.

Market Risk

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

(a) Interest Rate Risk

Interest rate risk is the risk that the fair value or cash flows of a financial instrument will fluctuate because of changes in market interest rates. The exposure to interest rates for the Company is considered minimal. The Company has no interest bearing borrowings.

(b) Foreign Currency Risk

The Company is exposed to foreign currency risk on fluctuations related to cash, accounts payable and accrued liabilities that are denominated in a foreign currency. As at May 31, 2023 the Company did not have any accounts in foreign currencies and considers foreign currency risk insignificant.

(c) Price Risk

The Company is exposed to price risk with respect to commodity prices. The Company's ability to raise capital to fund exploration and evaluation activities is subject to risks associated with fluctuations in the market price of commodities.

10. Capital Risk Management

The Company manages, as capital, the components of shareholders' equity. The Company's objectives, when managing capital, are to safeguard its ability to continue as a going concern. The Company manages its capital structure, and makes adjustments to it, in light of changes in economic conditions and the risk of characteristics of the underlying assets. To maintain or adjust its capital structure, the Company may attempt to issue common shares, borrow and acquire or dispose of assets. In order to maximize ongoing exploration efforts, the Company does not pay out dividends. The Company's policy is to invest its excess cash, if any, in highly liquid, short-term, interest bearing investments with maturities of one year or less from the date of acquisition. There have been no changes to the Company's capital risk management during the period.

11. Segmented Information

The Company operates in one reportable operating segment, being exploration and evaluation of mineral properties in Canada.