MEXICAN GOLD MINING CORP

CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEARS ENDED
JUNE 30, 2023 AND 2022

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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 statement of financial position as at June 30, 2023 and the consolidated statements of comprehensive loss, changes in shareholders' equity and cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant 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, 2023, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards.

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 matter

The consolidated financial statements of Mexican Gold Mining Corp. for the year ended June 30, 2022 were audited by another auditor who expressed an unmodified opinion on those statements on October 26, 2022.

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 International Financial Reporting Standards, 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
October 25, 2023

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

	Note	June 30, 2023 $	June 30, 2022 $
ASSETS			
Current assets			
Cash		560,970	92,023
Amounts receivable	4	29,191	42,621
Prepaid expenses and deposits	5	96,740	13,846
Total current assets		686,901	148,490
Total Assets		686,901	148,490
LIABILITIES			
Current liabilities			
Accounts payable and accrued liabilities	8	96,679	85,195
Total current liabilities		96,679	85,195
EQUITY			
Share capital	6	33,329,483	32,317,636
Reserves	6	4,411,742	4,411,742
Foreign currency translation		3,727	2,048
Deficit		(37,154,730)	(36,668,131)
Total equity		590,222	63,295
Total Equity and Liabilities		686,901	148,490

NATURE OF OPERATIONS AND GOING CONCERN UNCERTAINTY (Note 1)
SUBSEQUENT EVENT (Note 13)

These consolidated financial statements are authorized for issue by the Board of Directors on October 25, 2023. 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,	
		2023	2022
	Note	$	$
Expenses			
Care and maintenance expenditures	3	93,882	50,054
Exploration and evaluation expenditures	3	-	136,302
General and administrative	7,8	339,980	399,412
Professional fees		49,075	55,901
Share-based payments	6,8	-	97,065
Loss before other items		(482,937)	(738,734)
Foreign exchange loss		(3,662)	(843)
Loss for the year		(486,599)	(739,577)
Other comprehensive item that may be reclassified to profit and loss:			
Exchange differences on translation of foreign operations		1,679	12,608
Loss and comprehensive loss for the year		(484,920)	(726,969)
Loss per share – basic and diluted		(0.03)	(0.06)
Weighted average number of common shares outstanding – basic and diluted		15,791,813	12,704,687

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, 2023 $	2022 $
Cash flows from operating activities		
Loss for the year	(486,599)	(739,577)
Adjustments for:		
Value added tax written off	28,246	-
Share-based payments	-	97,065
	(458,353)	(642,512)
Change in non-cash working capital items:		
Amounts receivable	(13,137)	182,816
Prepaid expenses and deposits	(82,894)	1,742
Accounts payable and accrued liabilities	11,484	(64,091)
Net cash used in operating activities	(542,900)	(522,045)
Cash flows from financing activities		
Shares issued in private placements	1,050,000	-
Share issuance costs	(38,153)	-
Proceeds from warrants exercised	-	480,000
Net cash generated from financing activities	1,011,847	480,000
Net increase (decrease) in cash	468,947	(42,045)
Cash at beginning of year	92,023	121,460
Effect of exchange rate on cash	-	12,608
Cash at end of year	560,970	92,023

There were no non-cash investing or financing activities for the years ended June 30, 2023 and 2022.

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

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

		Share capital		Reserves						
	Note	Number of shares	Amount $	Contributed Surplus $	Warrants $	Equity settled share-based payments $	Total reserves $	Foreign currency translation $	Deficit $	Total equity $
Balance at June 30, 2021		12,334,280	31,837,636	-	215,417	4,099,260	4,314,677	(10,560)	(35,928,554)	213,199
Warrants exercised	6	400,000	480,000	-	-	-	-	-	-	480,000
Warrants expired		-	-	215,417	(215,417)	-	-	-	-	-
Share-based payments		-	-	-	-	97,065	97,065	-	-	97,065
Total comprehensive loss for the year		-	-	-	-	-		12,608	(739,577)	(726,969)
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

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, 2023, the Company has an accumulated deficit of $37,154,730, working capital of $590,222 and negative cash flow from operating activities of $542,900. 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.

Certain prior year numbers were reclassified to conform to the current year's presentation.

These consolidated financial statements were approved by the Board of Directors of the Company on October 25, 2023.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal 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 International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB"), effective for the Company's reporting for the year ended June 30, 2023.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

b) Basis of presentation

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. 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.

f) Financial instruments

Financial assets and liabilities are recognized when the entity becomes a party to the contractual provisions of the instrument. Financial assets and liabilities are derecognized when the rights to receive cash flows have expired or substantially all risks and rewards of ownership have been transferred. Gains and losses on recognition are generally recognized in profit and loss.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

f) Financial instruments (continued)

Financial assets are classified and measured either at amortized cost, fair value through other comprehensive income ("FVOCI") or fair value through profit or loss ("FVTPL") based on the business model in which they are held and the characteristics of their contractual cash flows. Financial assets that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest are measured at amortized cost at the end of the subsequent accounting periods. All other financial assets including equity investments are measured at their fair values at the end of subsequent accounting periods, with any change taken through profit or loss or other comprehensive income.

All financial instruments are initially recognized at fair value on the statement of financial position, net of attributable transaction costs, except for financial assets and liabilities classified as at FVTPL. Transaction costs of financial assets and liabilities classified as at FVTPL are expensed in the period in which they are incurred. Subsequent measurement of financial instruments is based on their classification. Financial assets and liabilities classified at FVTPL are measured at fair value with changes in those fair values recognized in profit or loss for the period. Financial assets and liabilities classified as FVOCI are measured at fair value with changes in those fair values recognized in other comprehensive income (loss) for the period. Financial assets and liabilities classified at amortized cost are measured at amortized cost using the effective interest method.

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

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

IFRS requires an expected credit loss model for calculating the impairment of financial assets.

The expected credit loss model requires an entity to account for expected credit losses and changes in those expected credit losses at each reporting date to reflect changes in initial recognition.

Impairment losses on financial assets carried at amortized cost are reversed in subsequent periods, if the amount of the loss decreases and the decrease can be objectively related to an event occurring after the impairment was recognized.

g) Decommissioning liabilities

The Company recognizes liabilities for statutory, contractual, constructive or legal obligations associated with the retirement of exploration and evaluation assets and equipment when those obligations result from the acquisition, construction, development or normal operation of assets or if an obligation to incur rehabilitation and environmental costs occurs as a result of an environmental disturbance caused by the Company’s work at its projects prior to determining the existence of mineral reserves. The net present value of future rehabilitation costs is expensed as exploration and evaluation costs along with a corresponding increase in the rehabilitation provision in the period incurred.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

g) Decommissioning liabilities (continued)

Pre-tax discount rates that reflect the time value of money are used to calculate the net present value. The Company's estimates of reclamation costs could change as a result of changes in regulatory requirements, discount rates and assumptions regarding the amount and timing of the future expenditures. These changes are recorded directly to exploration and evaluation costs and the rehabilitation provision. The Company's estimates are reviewed annually for changes in regulatory requirements, discount rates, effects of inflation and changes in estimates. Changes in the net present value, excluding changes in the Company's estimates of reclamation costs, are charged to profit or loss for the period. There are no decommissioning liabilities for the years presented.

h) 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 payment reserve.

i) 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.

j) Loss per share

The Company presents basic and diluted loss per share data for its common shares, calculated by dividing the loss attributable to common shareholders of the Company by the weighted average number of common shares outstanding during the period. Diluted loss per share does not adjust the loss attributable to common shareholders or the weighted average number of common shares outstanding when the effect is anti-dilutive.

k) Income taxes

Income tax on the profit or loss for the years presented comprises current and deferred tax. Income tax is recognized in profit or loss except to the extent that it relates to items recognized directly in equity, in which case it is recognized in equity.

Current tax expense is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at year end, adjusted for amendments to tax payable with regards to previous years.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

k) Income taxes (continued)

Deferred tax is provided using the statement of financial position liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. However, deferred tax liabilities are not recognized if they arise from the initial recognition of goodwill; deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at year end applicable to the period of expected realization or settlement.

A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized.

l) 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 impacts 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.

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 estimates

- The valuation of share-based payments. The fair value of common share purchase options granted is determined at the issue date using the Black-Scholes pricing model. The fair value of common shares issued for finders' fees are based on the closing price of the transaction those fees pertain to.

- The determination of tax expense for the period and deferred tax assets and liabilities involves significant estimation and judgment by management. In determining these amounts, management interprets tax legislation in a variety of jurisdictions and make estimates of the expected timing of the reversal of deferred tax assets and liabilities. Management also makes estimates of future earnings which affect the extent to which potential future tax benefits may be used. The Company is subject to assessments by various taxation authorities, which may interpret legislation differently. These differences may affect the final amount or the timing of the payment of taxes. We provide for such differences where known based on our best estimate of the probable outcome of these matters.

(Expressed in Canadian Dollars)

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(ii) 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.

m) 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, 2022, including amendments to IAS 16 Property, Plant and Equipment and IAS 37 Provisions, Contingent Liabilities and Contingent Assets – onerous contracts. 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.

n) New accounting standards issued but not yet effective

Certain new accounting standards or interpretations have been published that are not mandatory for the current period and have not been early adopted. These standards and interpretations are not expected to have a material impact on the Company's consolidated financial statements.

3. EXPLORATION AND EVALUATION

The following tables summarize the accumulated costs incurred to date with respect to the Company's interest in resource properties owned, leased or under option.

Years ended June 30, 2023 and 2022	Las Minas $
Exploration and evaluation expenditures	
Cumulative exploration and evaluation expenditures – June 30, 2021	17,913,988
Consulting and geological	12,598
Operational support and mining fees	32,191
Preliminary economic assessment	91,513
	136,302
Cumulative exploration and evaluation expenditures – June 30, 2023 and 2022	18,050,290

On October 1, 2021, the properties were placed in care and maintenance. Care and maintenance costs of $93,882 (2022 - $50,054) were incurred in the current year.

3. EXPLORATION AND EVALUATION (continued)

Las Minas Project

As at June 30, 2023, 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 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.

(Expressed in Canadian Dollars)

4. AMOUNTS RECEIVABLE

The following table summarizes amounts receivable as at June 30, 2023 and 2022:

	June 30, 2023 $	June 30, 2022 $
Canadian Goods and Services Taxes recoverable	2,075	2,663
Mexican Value Added Taxes recoverable	27,116	39,958
Total	29,191	42,621

During the current year, wrote off $28,000 (2022 - $Nil) of VAT from previous years deemed to be at risk of recovery.

5. PREPAID EXPENSES AND DEPOSITS

The following table summarizes prepaid expenses and deposits as at June 30, 2023 and 2022:

	June 30, 2023 $	June 30, 2022 $
Consulting fees	76,335	-
Regulatory fees	14,862	7,569
Other	5,543	6,277
Total	96,740	13,846

6. SHARE CAPITAL AND RESERVES

Authorized Share Capital

At June 30, 2023, 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.

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.

Details of Issues of Common Shares in the Year ended June 30, 2022

During the year ended June 30, 2022, 400,000 warrants were exercised at an exercise price of $1.20 for gross proceeds of $480,000.

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.

The continuity of share purchase options for the year ended June 30, 2023 is as follows:

Expiry date	Exercise Price	June 30, 2022	Granted	Exercised	Cancelled/ Expired	June 30, 2023	Options exercisable
July 17, 2024	$1.05	150,000	-	-	-	150,000	150,000
September 1, 2024	$1.15	65,000	-	-	-	65,000	65,000
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	-	-	-	615,400	615,400
Weighted average exercise price $		1.38	-	-	-	1.38	1.38
Weighted average contractual remaining life (years)		3.52	-	-	-	2.52	2.52

(Expressed in Canadian Dollars)

6. SHARE CAPITAL AND RESERVES (continued)

The continuity of share purchase options for the year ended June 30, 2022 is as follows:

Expiry date	Exercise Price	June 30, 2021	Granted	Exercised	Cancelled/ Expired	June 30, 2022	Options exercisable
July 17, 2024	$1.05	400,000	-	-	(250,000)	150,000	150,000
September 1, 2024	$1.15	65,000	-	-	-	65,000	65,000
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
		665,400	200,000	-	(250,000)	615,400	615,400
Weighted average exercise price $		1.51	0.55	-	1.05	1.38	1.38
Weighted average contractual remaining life (years)		3.70	-	-	-	3.52	3.52

The weighted average fair value of share purchase options granted during the year ended June 30, 2022 is $0.49.

Options were priced based on the Black-Scholes options pricing model using the following weighted average assumptions to estimate the fair value of options granted:

	Year ended June 30, 2023	2022
Risk-free interest rate	-	1.47%
Expected option life in years	-	5.0
Expected share price volatility	-	112.72%
Grant date share price	-	$0.60
Expected dividend yield	-	Nil

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.

The continuity of warrants for the year ended June 30, 2023 is as follows:

Warrrants convertible at ten warrants for one common share

Expiry date	Exercise Price	June 30, 2022	Issued	Exercised	Expired	June 30, 2023
July 15, 2024 (*)	$1.20	45,999,000	-	-	-	45,999,000
Weighted average exercise price $		1.20	-	-	-	1.20

(Expressed in Canadian Dollars)

Warrants convertible at one warrant for one common share

Expiry date	Exercise Price	June 30, 2022	Issued	Exercised	Expired	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

The continuity of warrants for the year ended June 30, 2022 is as follows:

Warrrants convertible at 10 warrants for one common share

Expiry date	Exercise Price	June 30, 2022	Issued	Exercised	Expired	June 30, 2023
July 15, 2024 (*)	$1.20	49,999,000	-	(4,000,000)	-	45,999,000
Weighted average exercise price $		1.20	-	1.20	-	1.20

Warrants convertible at one warrant for one common share

Expiry date	Exercise Price	June 30, 2021	Issued	Exercised	Expired	June 30, 2022
November 22, 2021	$3.00	1,031,500	-	-	(1,031,500)	-
November 22, 2021	$3.00	35,630	-	-	(35,630)	-
March 13, 2022	$3.00	40,000	-	-	(40,000)	-
March 13, 2022	$1.00	1,050	-	-	(1,050)	-
		1,108,180	-	-	(1,108,180)	-
Weighted average exercise price $		3.00	-	-	3.00	-

7. GENERAL AND ADMINISTRATIVE EXPENSES

The following table summarizes the general and administrative expenses incurred for the years ended June 30, 2023 and 2022:

	2023 $	2022 $
Corporate development and investor relations	9,806	17,356
Office and sundry	66,054	68,316
Salaries and consulting (note 8)	204,644	275,987
Transfer agent and filing fees	58,097	36,000
Travel	1,379	1,753
Total	339,980	399,412

(Expressed in Canadian Dollars)

8. 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, 2023 and 2022, key management personnel compensation, included in general and administrative expenses, was as follows:

	June 30,	
Year ended	2023	2022
	$	$
Consulting fees paid to the CEO	60,000	45,000
Consulting fees paid to the CFO	36,000	12,000
Salary paid to the former CEO	-	43,333
Consulting fees paid to a company controlled by the former CFO	-	38,000
Directors fees	12,000	16,011
Share-based compensation	-	97,065
	108,000	251,409

As at June 30, 2023, $21,966 (June 30, 2022 - $9,966) 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.

9. 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, 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)

	June 30, 2022		
	Canada	Mexico	Total
	$	$	$
Current Assets	44,994	103,496	148,490
Current Liabilities	(51,574)	(33,621)	(85,195)
Total Equity	(6,580)	69,875	63,295
Loss for the year	(583,301)	(156,276)	(739,577)

10. 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 accounts payable and accrued liabilities. The carrying values of cash 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 with financial institutions with high credit ratings, therefore the credit risk is minimal and limited to its carrying amount.

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 $96,679 in accounts payable and accrued liabilities that are due within one year of the date of the consolidated statement of financial position.

10. FINANCIAL INSTRUMENTS (continued)

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, 2023, the Company has US dollar denominated assets of $175,577 and US dollar denominated liabilities of $5,053. Based on this net US dollar exposure, at June 30, 2023, a 10% change in the Canadian dollar to the US dollar exchange rate would impact the Company's net income or loss by $17,052.

(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 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 predominantly gold. Commodity prices, especially gold, greatly affect the value of the Company and the potential value of its property and investments.

11. 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 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, 2023 and 2022.

(Expressed in Canadian Dollars)

12. 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:

	2023	2022
	$	$
Loss before income taxes	(486,599)	(739,577)
Income tax recovery at statutory rate	(131,382)	(199,686)
Share-based payments	-	26,208
Tax differential on foreign operations and change in statutory and foreign tax rates	(4,355)	(4,522)
Adjustment to prior year provision versus statutory returns	(25,000)	(161,000)
Other timing differences	(20,263)	255,000
Change in unrecognized temporary differences	181,000	84,000
Income tax recovery	-	-
Statutory tax rate	27.00%	27.00%

Deferred income taxes reflect the net tax effects of differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for income tax purposes. Significant components of the Company's deferred tax assets and liabilities are as follows:

	2023	2022
	$	$
Deferred income tax assets		
Unrecognized deferred income tax assets	(14,592,000)	(13,050,000)
Other	35,000	40,000
Mineral property interests	6,193,000	6,164,000
Non-capital loss carry-forwards	8,364,000	6,846,000
	-	-

As at June 30, 2023, the Company has Canadian non-capital loss carry forwards of $14,879,519 that may be available for tax purposes. The Company's non-capital losses expire as follows:

Expiry Date	$
2029	506,027
2030	1,095,778
2031	960,294
2032	874,635
2033	1,272,220
2034	577,632
2035	1,053,062
2036	732,243
2037	1,120,220
2038	1,918,207
2039	1,354,277
2040	1,245,462
2041	1,628,647
2042	540,815
	14,879,519

12. INCOME TAXES (continued)

At June 30, 2023, the Company had net operating loss carry forwards for Mexican income tax purposes of approximately $14,131,000 (2022 – $11,616,000) which, if not utilized to reduce Mexican taxable income in future periods, expire through the year 2033. These available tax losses may only be applied to offset future taxable income from the Company's current Mexican subsidiary.

13. SUBSEQUENT EVENT

On October 17, 2023, the Company entered into a debt forgiveness agreement, with a former consultant, for a payable in the amount of $52,000 in which the respective amount was forgiven.