



CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEARS ENDED
JUNE 30, 2025 AND 2024

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, 2025 and June 30, 2024 and the consolidated statements of loss and comprehensive loss, 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, 2025 and June 30, 2024, 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.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the work performed for the purposes 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 27, 2025**

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

		June 30, 2025 \$	June 30, 2024 \$
	Note		
ASSETS			
Current assets			
Cash and cash equivalents	3	30,152	210,514
Amounts receivable		887	761
Prepaid expenses and deposits	5	20,671	20,680
Total current assets		51,710	231,955
Total Assets		51,710	231,955
LIABILITIES			
Current liabilities			
Accounts payable and accrued liabilities	8	38,268	19,409
Total current liabilities		38,268	19,409
EQUITY			
Share capital	6	33,485,118	33,329,483
Reserves	6	4,411,742	4,411,742
Foreign currency translation		8,577	9,515
Deficit		(37,891,995)	(37,538,194)
Total equity		13,442	212,546
Total Equity and Liabilities		51,710	231,955

NATURE OF OPERATIONS AND GOING CONCERN UNCERTAINTY (Note 1)

These consolidated financial statements are authorized for issue by the Board of Directors on October 27, 2025. They are signed on the Company's behalf by:

"Jack Campbell" , Director

"Ali Zamani" , Director

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

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

		Years ended June 30,	
	Note	2025	2024
		\$	\$
Expenses			
Care and maintenance expenditures	1,4	82,482	81,928
General and administrative	7,8	228,987	323,328
Professional fees		43,659	41,838
Loss before other items		(355,128)	(447,094)
Gain on forgiveness of debt		-	52,000
Interest income		652	8,391
Foreign exchange gain		675	3,239
Loss for the year		(353,801)	(383,464)
Other comprehensive item that may be reclassified to profit and loss:			
Exchange differences on translation of foreign operations		(938)	5,788
Total comprehensive loss for the year		(354,739)	(377,676)
Loss per share – basic and diluted		(0.02)	(0.02)
Weighted average number of common shares outstanding – basic and diluted			
		22,615,100	21,234,278

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,	
	2025	2024
	\$	\$
Cash flows from operating activities		
Loss for the year	(353,801)	(383,464)
Adjustments for:		
Gain on forgiveness of debt	-	(52,000)
Foreign exchange	-	5,788
	(353,801)	(429,676)
Change in non-cash working capital items:		
Amounts receivable	(126)	28,430
Prepaid expenses and deposits	9	76,060
Accounts payable and accrued liabilities	17,921	(25,270)
Net cash used in operating activities	(335,997)	(350,456)
Cash flows from financing activities		
Shares issued in private placements	160,000	-
Share issuance costs	(4,365)	-
Net cash generated from financing activities	155,635	-
Net increase (decrease) in cash and cash equivalents	(180,362)	(350,456)
Cash and cash equivalents at beginning of year	210,514	560,970
Cash and cash equivalents at end of year	30,152	210,514
Supplemental cash flow information		
Interest received	6,535	2,508

There were no non-cash investing or financing activities for the years ended June 30, 2025 and 2024.

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)

	Note	Number of shares	Amount \$	Contributed Surplus \$	Equity settled share-based payments \$	Total reserves \$	Foreign currency translation \$	Deficit \$	Total equity \$
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
Shares issued pursuant to private placement	6	4,000,000	160,000	-	-	-	-	-	160,000
Share issuance costs	6	-	(4,365)	-	-	-	-	-	(4,365)
Total comprehensive loss for the year		-	-	-	-	-	(938)	(353,801)	(354,739)
Balance at June 30, 2025		25,234,278	33,485,118	215,417	4,196,325	4,411,742	8,577	(37,891,995)	13,442

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

Mexican Gold Mining Corp.

Notes to the Consolidated Financial Statements

For the Years ended June 30, 2025 and 2024

(Expressed in Canadian Dollars)

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, 2025, the Company has an accumulated deficit of \$37,891,995, working capital of \$13,442 and negative cash flow from operating activities of \$335,997. 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, tariffs, 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 October 27, 2025.

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, 2025.

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.

Mexican Gold Mining Corp.

Notes to the Consolidated Financial Statements

For the Years ended June 30, 2025 and 2024

(Expressed in Canadian Dollars)

2. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

e) Exploration and evaluation expenditures (continued)

When a resource property is placed on care and maintenance, expenditures incurred in relation to maintaining the property during the care and maintenance period are expensed and record as care and maintenance in the consolidated statement of loss and comprehensive loss.

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 or cancelled before vesting remain in equity settled share-based payments reserve.

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.

Mexican Gold Mining Corp.

Notes to the Consolidated Financial Statements

For the Years ended June 30, 2025 and 2024

(Expressed in Canadian Dollars)

2. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

j) Significant accounting estimates and judgments (continued)

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 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, 2024, including amendments to IAS 1 “Classification of Liabilities as Current or Non-Current”, amendments to IFRS 16 “Leases”, and amendments to IAS 7 “Statement of Cash Flow” and IFRS 7 “Financial Instruments Disclosures”. The effect of such new accounting standards did not have a material impact on the Company’s consolidated financial statements.

l) 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, except for IFRS 18 “Presentation and Disclosure in Financial Statements.” IFRS 18 includes requirements for all entities applying IFRS for the presentation and disclosure of information in financial statements and has an effective date of January 1, 2027. The effects of the adoption of IFRS 18 on the Company’s consolidated financial statements have not yet been determined.

Mexican Gold Mining Corp.

Notes to the Consolidated Financial Statements

For the Years ended June 30, 2025 and 2024

(Expressed in Canadian Dollars)

3. CASH AND CASH EQUIVALENTS

	June 30, 2025	June 30, 2024
Cash	\$ 30,152	\$ 54,631
Redeemable GIC in Canadian dollars including accrued interest at 4.5%	-	155,883
Total cash and cash equivalents	30,152	210,514

4. EXPLORATION AND EVALUATION OF RESOURCE PROPERTIES

Cumulative exploration and evaluation expenditures as of June 30, 2025 and 2024 are \$18,050,290.

On October 1, 2021, the properties were placed in care and maintenance. Care and maintenance costs of \$82,482 (2024 - \$81,928) were incurred in the current year.

Las Minas Project

As at June 30, 2025, 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.

Mexican Gold Mining Corp.

Notes to the Consolidated Financial Statements

For the Years ended June 30, 2025 and 2024

(Expressed in Canadian Dollars)

4. EXPLORATION AND EVALUATION OF RESOURCE PROPERTIES (continued)

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, 2025 and 2024:

	June 30, 2025	June 30, 2024
	\$	\$
Regulatory fees	18,329	15,136
Other	2,342	5,544
Total	20,671	20,680

6. SHARE CAPITAL AND RESERVES

Authorized Share Capital

At June 30, 2025, 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 February 26, 2025, the Company completed a non-brokered private placement offering of 4,000,000 units of the Company at a price of \$0.04 per unit to raise gross proceeds of CAD \$160,000. Each unit consisted of one common share in the capital of the Company and one share purchase warrant. Each warrant is convertible into an additional common share at an exercise price of \$0.06 for a period of three years from the date of issuance. Share issuance costs of \$4,365 were incurred in connection with the private placement financing.

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

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.

Mexican Gold Mining Corp.

Notes to the Consolidated Financial Statements

For the Years ended June 30, 2025 and 2024

(Expressed in Canadian Dollars)

6. SHARE CAPITAL AND RESERVES (continued)

Options outstanding at June 30, 2025 are as follows:

Expiry date	Exercise Price	June 30, 2024	Expiry	June 30, 2025	Options exercisable
July 17, 2024	\$1.05	150,000	(150,000)	-	-
September 1, 2024	\$1.15	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
		575,400	(175,000)	400,400	400,400
Weighted average exercise price \$		1.40	1.06	1.54	1.54
Weighted average contractual remaining life (years)		1.61		1.28	1.28

Options outstanding at June 30, 2024 are as follows:

Expiry date	Exercise Price	June 30, 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	-	1.61	1.61

Warrants

The continuity of warrants for the year ended June 30, 2025 and 2024 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, 2023 and June 30, 2024	Expiry	June 30, 2025
July 15, 2024	\$1.20	45,999,000	45,999,000	-
Weighted average exercise price \$		1.20	1.20	-
Weighted average remaining life (years)		0.04 (2023 – 1.04)	-	-

Mexican Gold Mining Corp.

Notes to the Consolidated Financial Statements

For the Years ended June 30, 2025 and 2024

(Expressed in Canadian Dollars)

6. SHARE CAPITAL AND RESERVES (continued)

Warrants convertible at one warrant for one common share:

Expiry date	Exercise Price	June 30, 2024	Issued	June 30, 2025
August 29, 2027	\$0.50	1,000,000	-	1,000,000
March 15, 2026	\$0.15	7,499,998	-	7,499,998
February 24, 2028	\$0.06	-	4,000,000	4,000,000
		8,499,998	4,000,000	12,499,998
Weighted average exercise price \$		0.19	0.06	0.15
Weighted average remaining life (years)		1.88	-	1.45

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

7. GENERAL AND ADMINISTRATIVE EXPENSES

The following table summarizes the general and administrative expenses incurred for the year ended June 30, 2025 and 2024:

	2025	2024
	\$	\$
Corporate development and investor relations	5,443	4,125
Office and sundry	52,335	60,132
Salaries and consulting (note 8)	134,028	213,989
Transfer agent and filing fees	37,181	44,432
Total	228,987	323,328

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.

Mexican Gold Mining Corp.

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For the Years ended June 30, 2025 and 2024

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8. RELATED PARTY BALANCES AND TRANSACTIONS (continued)

During the years ended June 30, 2025 and 2024, key management personnel compensation, included in general and administrative expenses, was as follows:

Year ended	June 30,	
	2025	2024
	\$	\$
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, 2025, \$18,000 (June 30, 2024 - \$6,000) is included in accounts payable and accrued liabilities for amounts owed for Directors' fees for the years ended June 30, 2025 and June 30, 2024. 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, 2025		
	Canada	Mexico	Total
	\$	\$	\$
Current Assets	38,028	13,682	51,710
Current Liabilities	(18,891)	(19,377)	(38,268)
Loss for the year	(231,953)	(121,848)	(353,801)

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

Mexican Gold Mining Corp.

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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 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.

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 \$38,268 in accounts payable and accrued liabilities that are due within one year of the date of the consolidated statement of financial position.

Mexican Gold Mining Corp.

Notes to the Consolidated Financial Statements

For the Years ended June 30, 2025 and 2024

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10. FINANCIAL INSTRUMENTS (Continued)

(b) Financial Instrument Risk Exposure (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, 2025, the Company has US dollar denominated assets of \$12,002 and US dollar denominated liabilities of \$7,790. Based on this net US dollar exposure, at June 30, 2025, a 10% change in the Canadian dollar to the US dollar exchange rate would impact the Company's net income or loss by \$421.

(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 has minimal exposure 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 volatility. 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.

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 year ended June 30, 2025 and 2024.

Mexican Gold Mining Corp.

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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:

	2025	2024
	\$	\$
Loss before income taxes	(353,801)	(383,464)
Income tax recovery at statutory rate	(95,526)	(103,535)
Tax differential on foreign operations and change in statutory and foreign tax rates	(3,655)	(3,765)
True up of provision versus statutory returns	(387,000)	-
Foreign exchange	85,000	-
Other timing differences	11,182	(2,107)
Change in unrecognized temporary differences	390,000	109,407
Income tax recovery	-	-
Statutory tax rate	27.00%	27.00%

The unrecognized deductible temporary differences as at June 30, 2025 and 2024 are comprised of the following:

	2025	Expiry	2024
	\$		\$
Mineral property interests	5,656,000	None	5,656,000
Non-capital losses	25,806,000	2026-2045	24,473,000
Property and equipment	72,000	None	72,000
Share issuance costs	19,000	2026-2029	25,000
	<u>31,553,000</u>		<u>30,226,000</u>

13. SUBSEQUENT EVENTS

- a) On October 1, 2025, the Company and its subsidiary, Roca Verde, entered into a mining concessions assignment agreement (the "Assignment Agreement") with Chesapeake Gold Corp. ("Chesapeake") and its subsidiaries Minerales El Prado, S.A. de C.V. ("MEP") and Chesapeake México, S.A. de C.V. ("Chesapeake Mexico"). Pursuant to the Assignment Agreement, the Company shall acquire 100% of the title and interest (the "Interest") in and to certain mineral titles, and the rights derived therefrom, covering an aggregate of 3,824.3585 hectares known as the Tatatila Project in Veracruz State, Mexico.

In exchange for the Interest, the Company will issue Chesapeake an aggregate of 4,451,361 common shares of the Company (the "Consideration Shares"). Once issued, the Consideration Shares will represent 14.99% of the total issued and outstanding common shares of the Company. As further consideration for the Interest, the Company shall grant to Chesapeake Mexico a net smelter returns royalty ("Royalty") in an amount equivalent to 1.5%. The Company shall have a buy-back option on the Royalty that provides Roca Verde with the right to purchase 0.5% of the Royalty from Chesapeake Mexico for US\$500,000 during the 10 years following the date of execution of the Assignment Agreement, which would reduce the Royalty to 1%.

Completion of the transaction is subject to acceptance by the TSX Venture Exchange, as well as customary closing conditions for a transaction of this kind.

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Notes to the Consolidated Financial Statements

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13. SUBSEQUENT EVENTS (continued)

- b) On July 29, 2025, for cash received, the Company issued a promissory note to Palisades Goldcorp Ltd. for \$80,000. The promissory note is due upon demand and bears interest at 15% per annum, payable when the principal amount is repaid.

- c) In October 2025, the Company arranged a fully allocated non-brokered private placement financing of up to 10,000,000 units of the Company at a price of \$0.085 per unit to raise gross proceeds of up to \$850,000 (the "Offering"). Each unit consists of one common share of the Company and one transferable common share purchase warrant, whereby each warrant shall entitle the holder thereof to purchase an additional share at an exercise price of \$0.12 for a period of three years from the date of issuance.

The Offering is subject to certain conditions including, but not limited to, the receipt of all necessary regulatory and other approvals, including the approval of the TSX Venture Exchange.