
KINGSMEN RESOURCES LTD.

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE NINE MONTHS ENDED
SEPTEMBER 30, 2024

(Unaudited - Expressed in Canadian Dollars)

**NOTICE OF NO AUDITOR REVIEW OF
CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

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

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

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

KINGSMEN RESOURCES LTD.
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF FINANCIAL POSITION
(Unaudited - Expressed in Canadian Dollars)

	Note	September 30, 2024 \$	December 31, 2023 \$
ASSETS			
Current assets			
Cash		532,130	908,857
GST receivable		6,525	10,397
Prepaid expenses and other		<u>22,618</u>	<u>21,404</u>
Total current assets		<u>561,273</u>	<u>940,658</u>
Non-current assets			
Exploration and evaluation assets	5	<u>385,099</u>	<u>328,274</u>
TOTAL ASSETS		<u>946,372</u>	<u>1,268,932</u>
LIABILITIES			
Current liabilities			
Accounts payable and accrued liabilities		<u>88,058</u>	<u>63,066</u>
TOTAL LIABILITIES		<u>88,058</u>	<u>63,066</u>
SHAREHOLDERS' EQUITY			
Share capital	6	1,568,522	1,568,522
Share-based payment reserve		2,159,638	2,159,638
Deficit		<u>(2,869,846)</u>	<u>(2,522,294)</u>
TOTAL SHAREHOLDERS' EQUITY		<u>858,314</u>	<u>1,205,866</u>
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		<u>946,372</u>	<u>1,268,932</u>

Nature of Operations - see Note 1

Events after the Reporting Period - see Note 11

These condensed consolidated interim financial statements were approved for issue by the Board of Directors on November 22, 2024 and are signed on its behalf by:

/s/ Scott Emerson
 Scott Emerson
 Director

/s/ Nick DeMare
 Nick DeMare
 Director

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

KINGSMEN RESOURCES LTD.
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF COMPREHENSIVE LOSS
(Unaudited - Expressed in Canadian Dollars)

	Note	Three Months Ended September 30		Nine Months Ended September 30	
		2024 \$	2023 \$	2024 \$	2023 \$
Expenses					
Accounting and administration	7(b)	3,750	4,550	23,124	31,400
Audit		-	-	18,500	18,500
Corporate development		13,711	5,236	45,546	43,376
Director and officer compensation	7(a)	45,750	45,000	135,750	105,500
General exploration		1,121	2,561	3,409	4,207
Legal		467	1,552	867	10,595
Office		2,444	(3,064)	11,286	13,670
Professional fees		26,229	34,765	82,883	41,844
Regulatory		6,809	6,283	23,054	29,037
Shareholder costs		1,171	1,464	7,075	7,656
Transfer agent		1,509	(5,499)	6,069	12,591
Travel		7,515	3,159	13,983	12,699
		<u>110,476</u>	<u>96,007</u>	<u>371,546</u>	<u>331,075</u>
Loss before other items		<u>(110,476)</u>	<u>(96,007)</u>	<u>(371,546)</u>	<u>(331,075)</u>
Other items					
Interest income		6,946	15,271	27,486	44,028
Foreign exchange		<u>(1,461)</u>	<u>(2,725)</u>	<u>(3,492)</u>	<u>(10,316)</u>
		<u>5,485</u>	<u>12,546</u>	<u>23,994</u>	<u>33,712</u>
Net loss and comprehensive loss		<u>(104,991)</u>	<u>(83,461)</u>	<u>(347,552)</u>	<u>(297,363)</u>
Basic and diluted loss per common share		<u>\$(0.01)</u>	<u>\$(0.00)</u>	<u>\$(0.02)</u>	<u>\$(0.02)</u>
Basic and diluted weighted average number of common shares outstanding		<u>19,349,919</u>	<u>19,349,919</u>	<u>19,349,919</u>	<u>18,105,436</u>

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

KINGSMEN RESOURCES LTD.
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
(Unaudited - Expressed in Canadian Dollars)

	Nine Months Ended September 30, 2024				
	Share Capital		Share-Based Payment Reserve	Deficit	Total Shareholders' Equity
	Number of Shares	Amount \$	\$	\$	\$
Balance at December 31, 2023	19,349,919	1,568,522	2,159,638	(2,522,294)	1,205,866
Net loss for the period	-	-	-	(347,552)	(347,552)
Balance at September 30, 2024	<u>19,349,919</u>	<u>1,568,522</u>	<u>2,159,638</u>	<u>(2,869,846)</u>	<u>858,314</u>

	Nine Months Ended September 30, 2023				
	Share Capital		Share-Based Payment Reserve	Deficit	Total Shareholders' Equity
	Number of Shares	Amount \$	\$	\$	\$
Balance at December 31, 2022	14,016,419	18,901,106	2,159,638	(20,170,373)	890,371
Elimination of deficit (Note 6(b))	-	(18,127,609)	-	18,127,609	-
Common shares issued for:					
- private placement	5,333,500	800,025	-	-	800,025
Share issue costs		(5,000)	-	-	(5,000)
Net loss for the period	-	-	-	(297,363)	(297,363)
Balance at September 30, 2023	<u>19,349,919</u>	<u>1,568,522</u>	<u>2,159,638</u>	<u>(2,340,127)</u>	<u>1,388,033</u>

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

KINGSMEN RESOURCES LTD.
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CASH FLOWS
(Unaudited - Expressed in Canadian Dollars)

	Nine Months Ended	
	September 30.	
	2024	2023
	\$	\$
Operating activities		
Net loss for the period	(347,552)	(297,363)
Changes in non-cash working capital items:		
GST receivable	3,872	(4,709)
Prepaid expenses	(1,214)	(35,754)
Accounts payable and accrued liabilities	<u>23,292</u>	<u>(29,506)</u>
Net cash used in operating activities	<u>(321,602)</u>	<u>(367,332)</u>
Investing activity		
Exploration and evaluation asset expenditures	<u>(55,125)</u>	<u>(170,809)</u>
Net cash used in investing activity	<u>(55,125)</u>	<u>(170,809)</u>
Financing activities		
Issuance of common shares	-	800,025
Share issue costs	<u>-</u>	<u>(5,000)</u>
Net cash provided by financing activities	<u>-</u>	<u>795,025</u>
Net change in cash during the period	(376,727)	256,884
Cash at beginning of period	<u>908,857</u>	<u>800,619</u>
Cash at end of period	<u>532,130</u>	<u>1,057,503</u>

Supplemental cash flow information - Note 8

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

KINGSMEN RESOURCES LTD.
NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2024
(Unaudited - Expressed in Canadian Dollars)

1. Nature of Operations

The Company was incorporated on January 11, 2000 under the provisions of the Company Act (British Columbia). The Company's common shares are listed and trade on the TSX Venture Exchange ("TSXV") under the symbol "KNG" and on the OTCQB under the symbol "KNGRF". The Company's principal office is located at #1305 - 1090 West Georgia Street, Vancouver, British Columbia V6E 3V7.

The Company is a junior mineral exploration company engaged in the acquisition and exploration of mineral properties in Mexico. As at September 30, 2024 the Company has not earned any production revenue, nor has it determined whether these properties contain economically recoverable ore reserves. The underlying value of the mineral resource interests is entirely dependent on the existence of economically recoverable reserves, the ability of the Company to obtain the necessary financing to complete exploration and development and upon future profitable production. Mineral resource interests represent costs incurred to date, less amounts amortized and/or written off, and do not necessarily represent present or future values. As a mineral Company in the exploration stage the ability of the Company to complete the exploration and development of its mineral property interests will be affected primarily by its ability to raise adequate amounts of capital through equity financings, debt financings, joint venturing of projects and other means.

The Company has a history of losses with no operating revenues and, as at September 30, 2024, the Company had working capital in the amount of \$473,215. In addition, subsequent to September 30, 2024, the Company completed an equity financing for \$1,000,000, as described in Note 11(a). These condensed consolidated interim financial statements have been prepared on a going concern basis which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business operations for the foreseeable future. Although management considers that the Company has adequate resources to maintain its core operations, make option or property payments as required, conduct planned exploration programs on its existing exploration and evaluation assets and discharge its obligations as they become due in the next twelve months, the Company recognizes that exploration expenditures may change with ongoing results and, as a result, it may be required to obtain additional financing. While the Company has been successful in securing financings in the past there can be no assurance that it will be able to do so in the future.

2. Basis of Preparation

Statement of Compliance

These condensed interim financial statements have been presented in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board ("IASB"), applicable to the preparation of interim financial statements, including IAS 34, *Interim Financial Reporting*. The preparation of financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

Basis of Measurement

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

3. Material Accounting Policy Information

These condensed consolidated interim financial statements have been prepared on a basis consistent with the material accounting policies disclosed in the annual financial statements for the year ended December 31, 2023. Accordingly, they should be read in conjunction with the annual financial statements for the year ended December 31, 2023.

Adoption of New Accounting Standards and New Accounting Pronouncements

The following amendments were adopted by the Company on January 1, 2024:

KINGSMEN RESOURCES LTD.
NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2024
(Unaudited - Expressed in Canadian Dollars)

3. Material Accounting Policy Information (continued)

- (i) *Disclosure of Accounting Policies* (Amendments to IAS 1 and IFRS Practice Statement 2) - the amendments require that an entity discloses its material accounting policies, instead of its significant accounting policies. Further amendments explain how an entity can identify a material accounting policy.
- (ii) *Definition of Accounting Estimates* (Amendments to IAS 8) - the amendments replace the definition of a change in accounting estimates with a definition of accounting estimates. Under the new definition, accounting estimates are “monetary amounts in financial statements that are subject to measurement uncertainty”. Entities develop accounting estimates if accounting policies require items in financial statements to be measured in a way that involves measurement uncertainty. The amendments clarify that a change in accounting estimate that results from new information or new developments is not the correction of an error.

There was no impact on the Company’s condensed consolidated interim financial statements upon the adoption of these amendments.

Accounting Pronouncements Not Yet Adopted

IFRS 18, *Presentation and Disclosure in Financial Statements*, which will replace IAS 1, *Presentation of Financial Statements* aims to improve how companies communicate in their financial statements, with a focus on information about financial performance in the statement of profit or loss, in particular additional defined subtotals, disclosures about management-defined performance measures and new principles for aggregation and disaggregation of information. IFRS 18 is accompanied by limited amendments to the requirements in IAS 7 *Statement of Cash Flows*. IFRS 18 is effective from January 1, 2027. Companies are permitted to apply IFRS 18 before that date.

The Company has performed an assessment of new standards issued by the IASB that are not yet effective and has determined that any other standards that have been issued would have no or very minimal impact on the Company’s condensed consolidated interim financial statements.

4. Subsidiaries

As of September 30, 2024 the subsidiaries of the Company are as follows:

<u>Company</u>	<u>Location of Incorporation</u>	<u>Ownership Interest</u>
Kingsmen Holdings Ltd.	Canada	100%
Leona Silver Exploraciones S.A. de C.V.	Mexico	100%

5. Exploration and Evaluation Assets

	<u>September 30, 2024</u>			<u>December 31, 2023</u>		
	<u>Acquisition Costs</u> \$	<u>Deferred Exploration Costs</u> \$	<u>Total</u> \$	<u>Acquisition Costs</u> \$	<u>Deferred Exploration Costs</u> \$	<u>Total</u> \$
Las Coloradas Project	<u>183,974</u>	<u>201,125</u>	<u>385,099</u>	<u>157,618</u>	<u>170,656</u>	<u>328,274</u>

KINGSMEN RESOURCES LTD.
NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2024
(Unaudited - Expressed in Canadian Dollars)

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

	Los Coloradas Project \$
Balance at December 31, 2022	123,918
Exploration costs:	
Assays	10,982
Geology	74,040
Legal	52,833
Travel	9,014
VAT tax	<u>23,787</u>
	170,656
Acquisition costs:	
Option payments and other	<u>33,700</u>
	<u>204,356</u>
Balance at December 31, 2023	<u>328,274</u>
Exploration costs:	
Assays	5,118
Geology	20,889
Legal	227
VAT tax	<u>4,235</u>
	30,469
Acquisition costs:	
Option payments and other	<u>26,356</u>
	<u>56,825</u>
Balance at September 30, 2024	<u>385,099</u>

Las Coloradas Project, Mexico

During fiscal 2022 the Company, entered into agreements to assemble a group of claims (the “Las Coloradas Project”) located in the Parral Mining District, State of Chihuahua, Mexico. As at September 30, 2024 the Las Coloradas Project comprise the following agreements:

- (i) Promise contract (the “Ramos Agreement”) executed November 25, 2022, as amended February 9, 2024, to which the Company has the right to acquire an assignment of rights to 12 mineral claims in consideration of making US \$1,143,500 in option payments as follows:

	Amount US \$
On signing	14,500
February 9, 2026	14,000
February 9, 2027	21,000
February 9, 2028	42,000
February 9, 2029	84,000
February 9, 2030	168,000
February 9, 2031	300,000
February 9, 2032	<u>500,000</u>
	<u>1,143,500</u>

KINGSMEN RESOURCES LTD.
NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2024
(Unaudited - Expressed in Canadian Dollars)

5. Exploration and Evaluation Assets (continued)

As at September 30, 2024 the Company has made payments totalling \$15,464 (US \$11,368) (December 31, 2023 - \$11,668 (US \$8,550)) for past mineral taxes in arrears which have been applied towards the option payment amounts.

- (ii) Mining exploration contract (the “MSA Agreement”) executed November 25, 2022, as amended November 27, 2023, to which the Company has the right to acquire an assignment of rights to one mineral claim in consideration of making US \$1,000,000 in option payments as follows:

	Amount US \$
On signing	20,000 (paid)
November 25, 2023	5,000 (paid)
November 25, 2024	30,000
November 25, 2025	30,000
November 25, 2026	35,000
November 25, 2027	80,000
November 25, 2028	200,000
November 25, 2029	<u>600,000</u>
	<u>1,000,000</u>

- (iii) Mining exploration contract (the “Loya Agreement”) executed November 8, 2022, as amended November 27, 2023, to which the Company has the right to acquire an assignment of rights to one mineral claim in consideration of making payments totalling US \$150,000 by November 8, 2025.

As at September 30, 2024 the Company has paid US \$62,500 towards the Loya Agreement.

- (iv) Promise agreement (the “Salazar Agreement”) executed November 3, 2022, to which the Company paid \$10,424 (US \$7,500) to the vendor and expensed to general exploration. Upon completion and delivery to the Company of the final assignment of the right to the one mineral claim, the vendor and the Company have agreed to enter into an assignment agreement to the Company with payment of US \$42,500. The mineral claim will be subject to a 1% net smelter return royalty (“NSR”).

6. Share Capital

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

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

- (b) ***Elimination of Deficit***

On June 2, 2023 the shareholders of the Company passed a special resolution to reduce the Company’s capital by \$18,127,609, being an amount equal to the deficit of the Company at December 31, 2022. This deficit arose as a result of prior unsuccessful business activities previously carried out by the Company. The reduction of capital resulted in a corresponding elimination of \$18,127,609 of the deficit.

- (c) ***Equity Financings***

Nine Months Ended September 30, 2024

No equity financings were conducted by the Company during the nine months ended September 30, 2024. See also Note 11(a).

KINGSMEN RESOURCES LTD.
NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2024
(Unaudited - Expressed in Canadian Dollars)

6. Share Capital (continued)

Fiscal 2023

On March 8, 2023 the Company completed a non-brokered private placement for 5,333,500 common shares for proceeds of \$800,025. The Company incurred \$5,000 for filing costs associated with this private placement.

(d) **Share Option Plan**

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

The Company did not grant any share options during the nine months ended September 30, 2024 or 2023 and, as of September 30, 2024, the Company had no share options outstanding. See also Note 11(b).

7. Related Party Disclosures

Transactions made with related parties are made in the normal course of business and are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties. 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 consists of members of the Company's Board of Directors and executive officers.

- (a) During the nine months ended September 30, 2024 the Company incurred total compensation of \$145,800 (2023 - \$119,050) to key management personnel of which \$135,750 (2023 - \$105,500) was expensed to director and officer compensation and \$10,050 (2023 - \$13,550) was capitalized to exploration and evaluation assets. As at September 30, 2024 \$19,216 (December 31, 2023 - \$3,500) remained unpaid and has been included in accounts payable and accrued liabilities.
- (b) During the nine months ended September 30, 2024 the Company incurred a total of \$23,124 (2023 - \$31,400) to Chase Management Ltd. ("Chase"), a private corporation owned by the CFO of the Company, for accounting and administration services provided by Chase personnel, excluding the CFO. As at September 30, 2024 \$1,850 (December 31, 2023 - \$3,100) remained unpaid and has been included in accounts payable and accrued liabilities.

8. Supplemental Cash Flow Information

During the nine months ended September 30, 2024 and 2023 non-cash activities were conducted by the Company as follows:

	2024 \$	2023 \$
Operating activity		
Accounts payable and accrued liabilities	<u>1,700</u>	<u>(8,523)</u>
Investing activity		
Exploration and evaluation assets	<u>(1,700)</u>	<u>8,523</u>

KINGSMEN RESOURCES LTD.
NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2024
(Unaudited - Expressed in Canadian Dollars)

9. Segmented Information

As at September 30, 2024 and December 31, 2023 the Company has no reportable segment revenues or operating results. The Company's total assets are segmented geographically as follows:

	As at September 30, 2024		
	Canada	Mexico	Total
	\$	\$	\$
Current assets	556,890	4,383	561,273
Exploration and evaluation assets	-	385,099	385,099
	<u>556,890</u>	<u>389,482</u>	<u>946,372</u>
	As at December 31, 2023		
	Canada	Mexico	Total
	\$	\$	\$
Current assets	928,291	12,367	940,658
Exploration and evaluation assets	-	328,274	328,274
	<u>928,291</u>	<u>340,641</u>	<u>1,268,932</u>

10. Financial Instruments and Risk Management

Categories of Financial Assets and Financial Liabilities

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

Financial Instrument	Category	September 30, 2024	December 31, 2023
		\$	\$
Cash	FVTPL	532,130	908,857
Accounts payable and accrued liabilities	Amortized cost	(88,058)	(63,066)

The Company's financial instruments recorded at fair value require disclosure about how the fair value was determined based on significant levels of inputs described in the following hierarchy:

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

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

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

The recorded amount for accounts payable and accrued liabilities approximate its fair value due to the short-term nature. The Company's fair value of cash under the fair value hierarchy are measured using Level 1 inputs.

KINGSMEN RESOURCES LTD.
NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2024
(Unaudited - Expressed in Canadian Dollars)

10. Financial Instruments and Risk Management (continued)

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

Credit Risk

Credit risk is the risk of loss associated with a counter-party's inability to fulfill its payment obligations. The Company's credit risk is primarily attributable to cash. Management believes that the credit risk concentration with respect to financial instruments included in cash is remote.

Liquidity Risk

Liquidity risk is the risk that the Company will not have the resources to meet its obligations as they fall due. The Company manages this risk by closely monitoring cash forecasts and managing resources to ensure that it will have sufficient liquidity to meet its obligations. All of the Company's financial liabilities are classified as current and are anticipated to mature within the next fiscal period. The following table is based on the contractual maturity dates of financial assets and the earliest date on which the Company can be required to settle financial liabilities.

	Contractual Maturity Analysis at September 30, 2024				
	Less than 3 Months \$	3 - 12 Months \$	1 - 5 Years \$	Over 5 Years \$	Total \$
Cash	532,130	-	-	-	532,130
Accounts payable and accrued liabilities	(88,058)	-	-	-	(88,058)

	Contractual Maturity Analysis at December 31, 2023				
	Less than 3 Months \$	3 - 12 Months \$	1 - 5 Years \$	Over 5 Years \$	Total \$
Cash	908,857	-	-	-	908,857
Accounts payable and accrued liabilities	(63,066)	-	-	-	(63,066)

Market Risk

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

Interest Rate Risk

The Company is exposed to interest rate risk to the extent that the cash bears floating rates of interest. The interest rate risk on cash and on the Company's obligations are not considered significant.

Foreign Currency Risk

The Company's functional currency is the Canadian dollar. The Company maintains foreign currency bank accounts to support the cash needs of its foreign operations. The Company also maintains a bank account in US Dollars with its Canadian bank. Management believes the foreign exchange risk related to currency conversions is minimal and therefore does not hedge its foreign exchange risk. At September 30, 2024, 1 Canadian Dollar was equal to 14.56 Mexican Peso and 0.74 US Dollar.

KINGSMEN RESOURCES LTD.
NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2024
(Unaudited - Expressed in Canadian Dollars)

10. Financial Instruments and Risk Management (continued)

Balances are as follows:

	Mexican Pesos	US \$	CDN \$ Equivalent
Cash	60,617	965	5,467
Accounts payable and accrued liabilities	<u>(11,097)</u>	<u>(42,000)</u>	<u>(57,519)</u>
	<u>49,520</u>	<u>(41,035)</u>	<u>(52,052)</u>

Based on the net exposures as of September 30, 2024 and assuming that all other variables remain constant, a 10% fluctuation on the Canadian Dollar against the Mexican Peso and the US Dollar would result in the Company's comprehensive loss being approximately \$5,100 higher (or lower).

Capital Management

The Company manages its capital structure and makes adjustments to it, based on the funds available to the Company, in order to support the acquisition and exploration of exploration and evaluation assets. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain development of the business. The Company defines capital that it manages as share capital. The Company will continue to assess new properties and seek to acquire an interest in additional properties if it feels there is sufficient geologic or economic potential and if it has adequate financial resources to do so. Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable.

11. Events after the Reporting Period

- (a) In November 2024 the Company completed a non-brokered private placement totalling 4,000,000 units for proceeds of \$1,000,000. Each unit consists of one common share and one common share purchase warrant. Each warrant entitles the holder to purchase an additional common share at a price of \$0.40 per share for a period of two years from closing. A director of the Company purchased 60,000 units for \$15,000.
- (b) On November 11, 2024 the Company granted stock options to purchase 1,690,000 common shares at an exercise price of \$0.36 per share expiring November 11, 2026.