MINERA ALAMOS INC.

Condensed Interim Consolidated Financial Statements

September 30, 2024 and 2023

(Expressed in Canadian Dollars)

Unaudited

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The accompanying unaudited condensed interim consolidated financial statements of Minera Alamos Inc. ("Minera Alamos" or the "Company") are the responsibility of management and the Board of Directors.

The unaudited condensed interim consolidated financial statements have been prepared by management on behalf of the Board of Directors, in accordance with the accounting policies disclosed in the notes to the unaudited condensed interim consolidated financial statements. Where necessary, management has made informed judgments and estimates in accounting for transactions which were not complete at the statement of financial position date. In the opinion of management, the unaudited condensed interim consolidated financial statements have been prepared within acceptable limits of materiality and are in accordance with International Accounting Standard 34-Interim Financial Reporting using accounting policies consistent with International Financial Reporting Standards appropriate in the circumstances.

Management has established processes, which are in place to provide it sufficient knowledge to support management representations that it has exercised reasonable diligence that (i) the unaudited condensed interim consolidated financial statements do not contain any untrue statement of material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it is made, as of the date of, and for the periods presented by, the unaudited condensed interim consolidated financial statements and (ii) the unaudited condensed interim consolidated financial statements fairly present in all material respects the financial condition, results of operations and cash flows of the Company, as of the date of and for the periods presented by the unaudited condensed interim consolidated financial statements.

The Board of Directors is responsible for reviewing and approving the unaudited condensed interim consolidated financial statements together with other financial information of the Company and for ensuring that management fulfills its financial reporting responsibilities. An Audit Committee assists the Board of Directors in fulfilling this responsibility. The Audit Committee meets with management to review the financial reporting process and the unaudited condensed interim consolidated financial statements together with other financial information of the Company. The Audit Committee reports its findings to the Board of Directors for its consideration in approving the unaudited condensed interim consolidated financial statements together with other financial information of the Company for issuance to the shareholders.

Management recognizes its responsibility for conducting the Company’s affairs in compliance with established financial standards, and applicable laws and regulations, and for maintaining proper standards of conduct for its activities.

Minera Alamos Inc.
Condensed Interim Consolidated Statements of Financial Position
(Expressed in Canadian dollars)
(Unaudited)

	Notes	September 30, 2024 $	December 31, 2023 $
Assets			
Current assets			
Cash and cash equivalents	18	**5,966,559**	**13,754,272**
Restricted cash		**31,635**	**31,635**
Accounts receivable	14	**266,541**	**399,607**
Leach pad ore inventory	6	**6,862,044**	**5,869,856**
Work-in-process inventory	6	**1,715,545**	**1,354,516**
Supplies inventory	6	**343,357**	**296,066**
Prepaid and other		**2,929,428**	**3,116,497**
Taxes receivable		**950,579**	**3,144,405**
Total current assets		**19,065,688**	**27,966,854**
Taxes receivable		**1,250,582**	**1,371,276**
Mineral properties and property, plant, and equipment	7, 8	**19,574,363**	**22,282,025**
Total assets		**39,890,633**	**51,620,155**
Liabilities			
Current liabilities			
Accounts payable and accrued liabilities	14	**3,546,109**	**4,637,505**
Current portion of lease payable	9	**97,523**	**90,086**
Deferred revenue	6	**3,453,562**	**2,419,290**
Current portion of debt	10	**6,457,787**	**851,873**
Total current liabilities		**13,554,981**	**7,998,754**
Long term debt	10	**-**	**5,129,973**
Lease payable	9	**124,766**	**198,960**
Provision for asset retirement obligation	13	**582,102**	**603,738**
Total liabilities		**14,261,849**	**13,931,425**
Shareholders' equity			
Share capital	11	**107,124,040**	**105,151,540**
Contributed surplus		**3,827,073**	**3,809,073**
Options reserve	12	**3,575,576**	**3,508,667**
Cumulative translation adjustment		**496,412**	**(4,648,123)**
Deficit		**(89,394,317)**	**(70,132,427)**
Total shareholders' equity		**25,628,784**	**37,688,730**
Total liabilities and shareholders' equity		**39,890,633**	**51,620,155**

Basis of Presentation and Going Concern (note 2)
Commitments and contingencies (note 16)
Subsequent Event (note 18)

Approved by the Board:

Signed*: "Bruce Durham"*

Director

Signed: *"Darren Koningen"*

Director

Please see accompanying notes to the financial statements

Minera Alamos Inc.
Condensed Interim Consolidated Statements of (Loss) and Comprehensive (Loss)
(Expressed in Canadian dollars)
(Unaudited)

	Notes	For the three months ended September 30,		For the nine months ended September 30,	
		2024	2023	**2024**	2023
		$	$	$	$
Revenues	4b, 6	**-**	1,790,245	**3,959,822**	11,654,580
Cost of sales:					
Mining, processing and operations	4c, 6	**363,621**	1,902,114	**4,210,735**	9,240,925
Depletion		**72,556**	161,445	**112,145**	269,243
		436,177	2,063,559	**4,322,880**	9,510,168
(Loss) income from mine operations		**(436,177)**	(273,314)	**(363,058)**	2,144,412
Expenses					
Depreciation		**33,599**	37,329	**107,291**	103,501
Accretion	10, 13	**398,736**	13,141	**1,172,480**	37,978
Exploration and evaluation	7	**2,452,501**	2,775,423	**4,311,235**	3,750,597
Insurance		**23,722**	24,854	**76,489**	75,083
Interest on lease liability		**4,713**	6,505	**15,395**	20,547
Investor relations		**77,468**	108,251	**274,578**	281,164
Office and administration		**158,960**	395,772	**506,136**	765,820
Professional fees		**258,571**	242,627	**978,150**	694,444
Salaries and compensation	17	**463,367**	396,917	**1,301,614**	1,217,033
Share-based compensation	12, 17	**247,303**	561,282	**741,909**	1,483,830
Transfer agent regulatory fees		**12,488**	12,030	**78,145**	84,111
Travel		**45,790**	51,747	**146,031**	146,684
		4,177,218	4,625,878	**9,709,453**	8,660,792
(Loss) before the undernoted		**(4,613,395)**	(4,899,192)	**(10,072,511)**	(6,516,380)
Other Items					
Foreign exchange loss (gain)	5	**8,172,207**	430,421	**9,379,288**	(3,735,315)
Other income		**(30,600)**	(356,127)	**(189,909)**	(421,420)
		8,141,607	74,294	**9,189,379**	(4,156,736)
Net (loss) for the period		**(12,755,002)**	(4,973,485)	**(19,261,890)**	(2,359,644)
Foreign currency translation		**5,461,177**	441,481	**5,144,535**	(2,352,909)
Net (loss) and comprehensive (loss) for the period		**(7,293,825)**	(4,532,004)	**(14,117,355)**	(4,712,553)
Net (loss) per share:					
Basic and diluted		**(0.0274)**	(0.011)	**(0.042)**	(0.005)
Weighted average number of common shares outstanding:					
Basic		**464,654,291**	462,242,549	**464,666,700**	462,005,177

Please see accompanying notes to the financial statements

Minera Alamos Inc.
Condensed Interim Consolidated Statement of Changes in Equity (Deficiency)
(Expressed in Canadian Dollars)
(Unaudited)

	Note	Share capital						
		Number of shares	**Amount**	**Contributed surplus**	**Options reserve**	**Cummulative translation reserve**	**Deficit**	**Total equity**
Balance, December 31, 2022		**461,883,853**	**$ 104,863,540**	**$ 3,769,713**	**$ 2,944,704**	**$ (1,094,566)**	**(67,276,875)**	**43,206,516**
Shares issued for mineral property	*11*	500,000	170,000	-	-	-	-	170,000
Options issued	*12*	-	-	-	1,483,830	-	-	1,483,830
Net income for the period		-	-	-	-	(2,352,909)	(2,359,644)	(4,712,553)
Balance, September 30, 2023		**462,383,853**	**$ 105,033,540**	**$ 3,769,713**	**$ 4,428,534**	**$ (3,447,475)**	**$ (69,636,519)**	**$ 40,147,793**
Balance, December 31, 2023		**462,883,853**	**$ 105,151,540**	**$ 3,809,073**	**$ 3,508,667**	**$ (4,648,123)**	**$ (70,132,427)**	**37,688,730**
Shares issued for mineral property	*11*	500,000	147,500	-	-	-	-	147,500
Options exercised	*12*	7,300,000	1,825,000	-	(657,000)	-	-	1,168,000
Options expired	*11, 12*	-	-	18,000	(18,000)	-	-	-
Options issued	*12*	-	-	-	741,909	-	-	741,909
Net loss for the period		-	-	-	-	5,144,535	(19,261,890)	(14,117,355)
Balance, September 30, 2024		**470,683,853**	**$ 107,124,040**	**$ 3,827,073**	**$ 3,575,576**	**$ 496,412**	**$ (89,394,317)**	**$ 25,628,784**

Please see accompanying notes to the financial statements

Minera Alamos Inc.
Condensed Interim Consolidated Statements of (Loss) Income and Comprehensive (Loss) Income
(Expressed in Canadian dollars)
(Unaudited)

	Notes	For the three months ended September 30, 2024	2023	For the nine months ended September 30, 2024	2023
		$	$	$	$
Cash flows from operating activities					
Net (loss) for the period		**(12,755,002)**	(4,973,485)	**(19,261,890)**	**(2,359,644)**
Adjustments to reconcile net loss to net cash flows:					
Non-cash adjustments:					
Shares issued for property acquisition	7	**147,500**	170,000	**147,500**	170,000
Depreciation		**33,599**	37,329	**107,291**	103,501
Depletion		**72,556**	161,445	**112,145**	269,243
Accretion		**398,736**	13,141	**1,172,480**	37,798
Interest on lease liability		**4,713**	6,505	**15,395**	20,547
Share-based compensation		**247,303**	561,282	**741,909**	1,483,830
Unrealized foreign exchange loss (gain)	5	**6,805,686**	(1,234,090)	**8,086,394**	(4,477,395)
		(5,044,909)	(5,257,873)	**(8,878,776)**	(4,752,120)
Changes in non-cash operating activities:					
Accounts receivable		**104,189**	119,091	**133,065**	36,238
Prepaid expenses		**(1,112)**	61,935	**187,069**	(287,296)
Inventory	6	**(2,448,265)**	(415,381)	**(1,400,508)**	1,455,674
Taxes receivable		**(260,820)**	2,119,712	**2,314,520**	519,905
Accounts payable and accrued liabilities		**309,551**	138,495	**(1,091,392)**	(1,134,153)
Short term debt		**(851,828)**	-	**(851,828)**	-
Deferred revenue	6	**3,453,562**	(370,441)	**1,034,272**	(4,121,113)
Net cash (used in) from operating activities		**(4,739,632)**	(3,604,462)	**(8,553,578)**	(8,282,686)
Cash flows from investing activities					
Acquisition of property plant and equipment		**(9,856)**	(203,156)	**(353,306)**	(350,235)
Restricted cash		**-**	365	**-**	599
Net cash (used in) investing activities		**(9,856)**	(202,791)	**(353,306)**	(349,636)
Cash flows from financing activities					
Exercise of options		**1,152,000**	-	**1,168,000**	-
Lease payments		**(27,384)**	(27,834)	**(82,152)**	(82,152)
Net cash provided by (used in) financing activities		**1,124,616**	(27,834)	**1,085,848**	(82,152)
Effect of changes in foreign exchange		**983,142**	2,134,999	**33,323**	2,134,099
Net decrease in cash and cash equivalents		**(2,641,730**	(1,700,088)	**(7,787,713)**	(6,580,375)
Cash and cash equivalents, beginning of period		**8,608,289**	8,273,541	**13,754,272**	13,153,828
Cash and cash equivalents, end of period	18	**5,966,559**	6,573,453	**5,966,559**	6,573,453
Supplemental information:					
Interest paid		257,171	-	766,377	-

Please see accompanying notes to the financial statement

1. GENERAL INFORMATION

Minera Alamos Inc. (the "Company") is a junior mining and exploration company engaged directly and indirectly through its subsidiaries in the acquisition, exploration, development and operation of mineral properties located in Mexico. These consolidated financial statements include the accounts of the Company, its Mexican subsidiaries Minera Alamos de Sonora S.A. de C.V., Molibdeno Los Verdes S.A. de C.V., Cobre 4H S.A. de C.V., Minera Mirlos, S. de R.L. de C.V., and Corex Global S de RL de SV. The Company's head office is located at 55 York Street East, Suite 402, Toronto, Ontario, Canada, M5J 1R7.

2. BASIS OF PRESENTATION AND GOING CONCERN

The business of mining and exploring for minerals involves a high degree of risk and there can be no assurance that current development and exploration programs will result in profitable mining operations. This is dependent upon the discovery of economically recoverable reserves, the ability of the Company to raise financing, the achievement of profitable operations or, alternatively, upon the Company's ability to dispose of its interests on an advantageous basis. Changes in future conditions could require material write-downs of the carrying values.

These condensed interim consolidated financial statements have been prepared on a basis which contemplates that the Company will continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of business. The Company's ability to continue to do so is dependent on the ability of the Company to raise equity financing and the attainment of profitable operations. There are no assurances that the Company will be successful in achieving these goals.

There is no guarantee that the Company won't incur further losses going forward as the Company pursues its ramp up of operations and exploration activities on its other properties. These material uncertainties may cast significant doubt about the Company's ability to continue as a going concern. These condensed interim consolidated financial statements do not give effect to adjustments that would be necessary to the carrying values and classification of assets and liabilities should the Company be unable to continue as a going concern.

3. STATEMENT OF COMPLIANCE

These condensed interim consolidated financial statements of the Company and its subsidiaries have been prepared in accordance with International Accounting Standard 34 (IAS 34) Interim Financial Reporting. These condensed interim consolidated financial statements should be read in conjunction with the audited consolidated financial statements for the year ended December 31, 2023.

The policies applied in these condensed interim consolidated financial statements are based on IFRS issued and outstanding as of November 29, 2024, the date the Board of Directors approved these condensed interim consolidated financial statements.

The accounting policies applied in these condensed interim consolidated financial statements are consistent with those applied in the preparation of the Company's annual consolidated financial statements for the year ended December 31, 2023, unless otherwise noted herein.

4. SIGNIFICANT ACCOUNTING POLICIES

a) Basis of measurement

These condensed interim consolidated financial statements are presented in Canadian dollars and are prepared on the historical cost basis, modified by the measurement at fair value of certain financial instruments.

b) Revenue Recognition

The Company earns revenue primarily from the sale of gold. Other metals, such as silver, produced as part of the extraction process are considered to be by-products arising from the production of gold. Revenue relating to the sale of metals is recognized when control of the metal is transferred to the customer in an amount that reflects the consideration the Company expects to receive in exchange for the metal. On transfer of control, economic benefits associated with the transaction will flow to the Company as payment is received on the date of or within a few days of transfer of control.

The Company records deferred revenue relating to an advance sale of gold in an unrefined form (gold "in-process") once it has been extracted from the mine leaching operations and sent off-site for further refinement. The gross proceeds are recorded as deferred revenue from the time the advanced payment is received by the company until the time when the refinement process is complete and the final gold is delivered, in full, to the customer.

When considering whether the Company has satisfied its performance obligation, it considers performance indicators of the transfer of control, which include, but are not limited to, whether the Company has a present right to payment; the customer has legal title to the metal; the Company has transferred physical possession of the metal to the customer; and the customer has the significant risks and rewards of ownership of the metal.

c) Inventory

The Company predominantly produces gold. The recovery of gold from the ore is achieved through a heap leach process. Costs are added to leach pad inventory based on current mining costs, including applicable overhead, depletion, and depreciation relating to mining operations. Costs are removed from leach pad inventory as ounces are recovered, based on the average cost per ounce of recoverable gold stacked and are carried as work-in-process inventory as the recovered gold undergoes the final stages of refinement. The costs of extracting the gold from the ore on the leach pads and refining the recovered gold are included in work-in-process inventory.

The value of all production inventories includes direct production costs and attributable overhead incurred to bring the materials to their current point in the processing cycle. All inventories are valued at the lower of cost and net realizable value, with net realizable value determined with reference to market prices, less estimated future production costs to convert inventories into salable form. If carrying value exceeds net realizable value, a write-down is recognized. The write-down may be reversed in a subsequent period if the circumstances which caused the write-down no longer exists.

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

c) Inventory (Continued)

Quantities of gold ore are assessed primarily through surveys and assays. Certain estimates, including expected metal recoveries, are calculated using available industry, engineering, and scientific data, and are periodically reassessed, taking into account technical analysis and historical performance.

d) Mineral properties and exploration and evaluation costs

The Company expenses all costs relating to the acquisition of, exploration for, and development of mineral properties in the exploration stage. Such costs include, but are not limited to, geological, geophysical studies, exploratory drilling, and sampling. Once a project has been established as commercially viable and technically feasible, related development expenditures are capitalized; this includes costs incurred in preparing the site for mining operations. Capitalization ceases when the mine is capable of commercial production, with the exception of development costs that give rise to a future benefit.

e) Foreign currencies

The functional and presentation currency of the Company is the Canadian dollar and the functional currency of the Company's Mexican subsidiaries is the Mexican Peso.

Transactions in currencies other than the functional currency (foreign currencies) are recorded at the rates of exchange prevailing at the dates of the transactions. Foreign exchange gains or losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at the period end exchange rates are recognized in the consolidated statements of income (loss) and comprehensive income (loss). Non-monetary items that are measured in terms of historical cost in a foreign currency are not re-translated.

The assets and liabilities of entities with a functional currency that differs from the presentation currency are translated to the presentation currency as follows:

- Assets and liabilities are translated at the closing rate at the end of the financial reporting period;
- Income, expenses, and cash flows are translated at average exchange rates (unless the average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case, income and expenses are translated at the rate on the dates of the transactions);
- Equity transactions are translated using the exchange rate at the date of the transaction; and
- All resulting exchange differences are recognized as a separate component of equity as reserve for foreign exchange.

Foreign exchange gains or losses arising from a monetary item receivable from or payable to a foreign operation, the settlement of which is neither planned nor likely to occur in the foreseeable future, and which is considered to form part of the net investment in the foreign operation, are recognized in the reserve for foreign exchange.

(Expressed in Canadian Dollars)

5. SIGNIFICANT ACCOUNTING JUDGMENTS AND ESTIMATES

The preparation of these unaudited condensed interim consolidated financial statements requires management to make estimates and judgments 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. The unaudited condensed interim consolidated financial statements include estimates which, by their nature, are uncertain. The impacts of such estimates are pervasive throughout the unaudited condensed interim 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 the revision affects both current and future periods.

In preparing these unaudited condensed interim consolidated financial statements, the significant judgements and estimates made by management in applying the Company's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the audited consolidated financial statements as at and for the year ended December 31, 2023.

Net investment in foreign operation

The Company has determined that the funding provided to its subsidiaries Corex Global S de RL de SV and Minera Mirlos, S. de R.L. de C.V., is likely to be repaid in the foreseeable future. Accordingly, the unrealized foreign exchange losses or gains on these inter-company loans are recognized as non-cash (loss) income.

6. DEFERRED REVENUE AND INVENTORIES

As at September 30, 2024, the Company recorded deferred revenue of $3,453,562 (December 2023 - $2,419,290) in exchange for the sale of gold which had been extracted from the Santana gold mine leach pad and was undergoing further refinement. The gross proceeds are recorded as deferred revenue until the gold has been recovered through the stripping and refinement process and then delivered, in full, to the customer. The carrying value of the respective inventory at September 30, 2024 was $1,715,545 (December 2023 - $1,354,516) which is included in work-in-process inventory.

IAS 2 requires allocation of fixed and variable production overheads that are incurred in converting materials into finished goods. The following is a breakdown of items in inventory:

Inventory	**September 30, 2024 $**	December 31, 2023 $
Leach pad mineralized material	**6,862,044**	**5,869,856**
Work-in-process[(i)]	**1,715,545**	**1,354,516**
Supplies	**343,357**	**296,066**
Total	**8,920,946**	**7,520,438**

(i) Subsequent to September 30, 2024, the deferred revenue was recorded as revenue income and the work in process inventory was booked to cost of sales.

Inventory that was expensed in the nine month period ended September 30, 2024 totalled to $2,112,968 (September 30, 2023 - $5,639,683).

(Expressed in Canadian Dollars)

7. MINERAL PROPERTIES AND EXPLORATION AND EVALUATION EXPENSE

	For the nine months ended September 30,	
	2024	2023
	$	$
Santana, Mexico(i) (ii)	**1,211,648**	989,093
Cerro de Oro, Mexico(ii) (iii)	**2,590,781**	2,196,432
La Fortuna, Mexico(ii)	**262,902**	333,603
Los Verdes, Mexico(ii)	**245,904**	231,469
Other	**-**	-
Total	**4,311,235**	3,750,597

(i) All development costs incurred related to the project are capitalized.
(ii) Inclusive of property holding costs.
(iii) Inclusive of the final US$1,000,000 property payment and share issuance resulting in the Company owning 100% of the property

Santana project, State of Sonora, Mexico

The Santana Property consists of certain mining claims located approximately east-southeast of Hermosillo, Sonora, Mexico. Additionally, the Company holds a 100% interest in certain contiguous mining concessions referred to as Santa Lucia and Hilda 35 Fraccion 1, located in Sonora State, Mexico. The Hilda 35 Fraccion 1 is also subject to a 1% net smelter return royalty ("NSR").

During the period ended September 30, 2024, the Company continued mining and development activities at Santana and performed exploration drilling on target areas.

Cerro de Oro, State of Zacatecas, Mexico

In September 2020 the Company finalized definitive option agreements through its subsidiary Minera Mirlos S. De R.L. DE C.V., and an arm's length party (the "Vendor") to acquire 100% of the Cerro de Oro project comprising the Zacatecas I and Zacatecas II concessions near Concepcion del Oro, Zacatecas, Mexico.

The agreements convey 100% irrevocable ownership to the Company with no underlying royalties subject to meeting a schedule of payments. Failure by the Company to make any of the cash payments or share issuances would have resulted in the property being returned to the vendors with no residual interest being retained by the Company.

The payment schedule is as follows:

Amount (USD)	Installment Due Date
400,000 cash + 2,000,000 shares(a)	Paid on Closing
300,000 cash(a) + 500,000 shares(b)	Paid in 2021
400,000 cash(a) + 500,000 shares(c)	Paid in 2022
800,000 cash(a) + 500,000 shares(d)	Paid in 2023
1,000,000 cash(a) + 500,000 shares(e)	Paid in 2024

7. MINERAL PROPERTIES AND EXPLORATION AND EVALUATION EXPENSE (Continued)

Cerro de Oro, State of Zacatecas, Mexico (Continued)

a) The Company paid USD$400,000 (CAD$531,600) on signing of this agreement and the Company issued 2,000,000 shares on September 17, 2020. The fair value of these shares was $1,440,000 based on the trading price of the shares.

b) The Company paid USD$300,000 (CAD$394,832) and issued 500,000 shares on September 17, 2021. The fair value of these shares was $285,000 based on the trading price of the shares.

c) The Company paid USD$400,000 (CAD$516,154) and issued 500,000 shares on August 4, 2022. The fair value of these shares was $242,500 based on the trading price of the shares.

d) The Company paid USD$800,000 (CAD$1,053,568) and issued 500,000 shares on July 26, 2023. The fair value of these shares was $170,000 based on the trading price of the shares.

e) The Company paid USD$1,000,000 (CAD$1,295,250) and issued 500,000 shares on August 2, 2024 in respect of the final earn-in payment. The fair value of these shares was $147,500 based on the trading price of the shares.

In addition to the earn-in commitments in the table above, a final bonus payment of $1,000,000 USD will be payable to the Vendor upon the production of 50,000 ounces of gold from the Cerro de Oro project. As a triggering event has not occurred this commitment has not been reflected in the financial statements.

La Fortuna project, State of Durango, Mexico

The Company's subsidiary Minera Alamos de Sonora S.A. de C.V., owns 100% of the mineral claims known as the "La Fortuna" gold project located in the State of Durango, Mexico.

Los Verdes project, State of Sonora, Mexico

The Company holds a 100% interest in a mining property known as Los Verdes, a molybdenum-copper property located in the State of Sonora, Mexico. Included in the collection of claims which comprise the Los Verdes project is the Bacanora claim. This claim is subject to a 2% Net Smelter Royalty on the gross amount sold, less specific costs, of all or a portion of the ores or concentrate derived from the property. In 2012, the Company acquired title to the Potreritos molybdenum-copper deposit concessions in Sonora, Mexico. The property is situated to the north of the Los Verdes property and referred to as the North Deposit.

Although the Company has taken steps to verify title to the properties on which it is conducting its exploration activities, these procedures do not guarantee the Company's title. Property title may be subject to government licensing requirements or regulations, social licensing requirements, unregistered prior agreements, unregistered claims and non-compliance with regulatory and environmental requirements. The Company's assets may also be subject to increases in taxes and royalties, renegotiation of contracts, currency exchange fluctuations and restrictions, and political uncertainty.

(Expressed in Canadian Dollars)

8. MINERAL PROPERTIES AND PROPERTY PLANT AND EQUIPMENT

	Mineral Properties	Property, Plant and Equipment				
Cost	**Santana Project (ii)**	**Mining Equipment**	**Office and Equipment**	**Vehicles**	**Right of Use Building (i)**	**Total**
Balance at December 31, 2022	$ 19,207,359	$ 1,391,363	$ 201,222	$ 217,231	$ 739,030	$ 21,756,205
Additions (disposals)	200,500	115,998	-	40,139	-	356,637
Effect of changes in foreign exchange	2,279,387	82,075	4,988	11,611	-	2,378,061
Balance at December 31, 2023	21,687,246	1,589,436	206,210	268,981	739,030	24,490,903
Additions (disposals)	**350,956**	**2,350**	**-**	**-**	**-**	**353,306**
Disposals		**(13,563)**	**(26,104)**	**(44,410)**	**-**	**(84,077)**
Effect of changes in foreign exchange	**(2,654,563)**	**(99,300)**	**(9,908)**	**(23,315)**	**-**	**(2,787,085)**
Balance at September 30, 2024	**19,383,639**	**1,478,923**	**170,198**	**201,256**	**739,030**	**21,973,047**
Accumulated depreciation						
Balance at December 31, 2022	959,448	105,927	171,957	131,349	392,021	1,760,702
Depreciation	-	80,255	15,611	45,124	88,600	229,590
Depletion	206,692	-	-	-	-	206,692
Effect of changes in foreign exchange	8,338	921	1,494	1,141	-	11,894
Balance at December 31, 2023	1,174,478	187,103	189,062	177,614	480,621	2,208,878
Depreciation	**-**	**58,966**	**9,655**	**38,669**	**66,450**	**173,740**
Depletion	**309,931**	**-**	**-**	**-**	**-**	**309,931**
Disposals	**-**	**(13,563)**	**(26,104)**	**(44,410)**	**-**	**(84,077)**
Effect of changes in foreign exchange	**(142,566)**	**(22,712)**	**(22,950)**	**(21,560)**	**-**	**(209,788)**
Balance at September 30, 2024	**1,341,843**	**209,794**	**149,663**	**150,313**	**547,071**	**2,398,684**
Carrying amounts						
Balance at December 31, 2022	18,247,911	1,285,436	29,265	85,882	347,009	19,995,503
Balance at December 31, 2023	20,512,768	1,402,333	17,148	91,367	258,409	22,282,025
Balance at September 30, 2024	**$ 18,041,797**	**$ 1,269,129**	**$ 20,535**	**$ 50,943**	**$ 191,959**	**$ 19,574,363**

(i) Depreciation related to the right-of-use asset is included in office and administration expense.
(ii) Includes assets not ready for use.

9. LEASE PAYABLE

Maturity Analysis – contractual undiscounted cash flows	**September 30, 2024 $**	December 31, 2023 $
Less than one year	**111,366**	**109,536**
Remaining life	**130,354**	**214,336**
Total undiscounted lease liabilities	**241,720**	**323,872**
Effect of discounting	**(19,431)**	**(34,826)**
Present value of lease payments	**222,289**	**289,046**
Less current portion	**(97,523)**	**(90,086)**
Long-term lease liabilities	**124,766**	**198,960**

The following table summarizes the lease activity:

	September 30, 2024 $	December 31, 2023 $
Balance, beginning of period	**289,046**	**371,966**
Accretion	**15,395**	**26,616**
Lease payments	**(82,152)**	**(109,536)**
Balance, end of period	**222,289**	**289,046**

(Expressed in Canadian Dollars)

10. DEBT

On October 30, 2023, the Company executed the documentation on a funding package for the Cerro de Oro project with Auramet International Inc. and Auramet Capital Partners LP ("Auramet"). The funding package is comprised of a loan facility for up to USD$15,000,000 and a USD$10,000,000 royalty for a 2.75% Net Smelter Royalty ("NSR"). Upon the execution of the documentation the Company completed a drawdown of an initial USD$5,000,000 under the loan facility. As per the funding facility, the Company may deliver a drawdown notice to Auramet for the remaining USD$10,000,000 under the loan facility upon the satisfactory completion of certain conditions which have not been met as of September 30, 2024.

If the Company does not meet the closing conditions or should not elect to deliver a drawdown notice for the remaining USD$10,000,000 under the loan facility by the earlier of i) October 30, 2024 and; ii) the date that is 31 days after all the closing conditions have been satisfied, the outstanding balance of the USD$5,000,000 initial drawdown shall mature and be payable in equal installments over the subsequent 10 month period and all obligations of Auramet to advance any part of the remaining USD$10,000,000 will immediately be cancelled and terminated. The outstanding principal amount drawn under the loan facility accrues interest and is payable monthly at a rate of 15% per annum calculated in arrears. As at September 30, 2024, the estimated maturity date was October 30, 2024. The Company may extend the term of the remaining loan facility drawdown by six months by making a standby payment to Auramet of USD$400,000 on or before the maturity date.

The Company and Auramet have amended the agreement to extend the term of the maturity date from October 30, 2024 to November 29, 2024, and that if the Company determines that it will extend the term of the remaining loan facility by six months the standby payment of USD$400,000, subject to TSXV approval may be made with the issuance of the Company's common shares.

The closing and funding under the royalty facility is conditional upon the same conditions under the loan facility and is also conditional upon the actual drawdown of the remaining amount under the loan facility and if this does not occur, any obligations under the royalty facility will also terminate. As at September 30, 2024, the closing conditions of the loan and royalty agreements have not occurred.

On October 30, 2023, the Company recorded receipt of USD$5,000,000 (CAD$6,928,000) and recorded transactions costs of CAD$703,266. As at September 30, 2024, the balance of the debt is CAD$6,457,787.

	$
Total proceeds	6,928,000
Cost of issuance	(703,266)
Net proceeds	6,224,734
Accretion	(242,888)
Balance as at December 31, 2023	5,981,846
Accretion	1,121,134
Interest paid	(766,377)
Effect of foreign exchange	121,184
Balance as at September 30, 2024	6,457,787

(Expressed in Canadian Dollars)

11. SHARE CAPITAL

(a) Authorized, issued and outstanding common shares

Authorized – unlimited number of common shares without par value.
Issued and outstanding – 470,683,853 at September 30, 2024 and December 31, 2023.

(b) Transactions

(i) On July 26, 2023, the Company issued 500,000 common shares in relation to the Cerro de Oro Project acquisition agreement. The fair value of the shares issued was $170,000 (see note 7).

(ii) On August 2, 2024, the Company issued 500,000 common shares in relation to the Cerro de Oro Project acquisition agreement. The fair value of the shares issued was $147,500 see note 7)

(iii) During the nine month period ended September 30, 2024, 7,300,000 (December 31, 2023 – Nil) stock options to acquire common shares at an average price of $0.16 were exercised for gross value of $1,168,000 (2023 - $Nil).

12. SHARE-BASED PAYMENTS – STOCK OPTION PLAN

The Company has a stock option plan (the "Plan") available to its employees, officers, directors and consultants which has been approved as amended by the shareholders on December 14, 2023. The number of common shares is limited to 10% of the Company's issued and outstanding shares.

During the nine month period ended September 30, 2024, the Company issued Nil stock options to acquire common shares (December 31, 2023 – 9,150,000).

At September 30, 2024, the following options were outstanding:

Grant Date	Number of Stock Options	Exercise Price	Expiration	Remaining Years	Grant Date Fair Value	Number Exercisable Stock Options
July 14, 2020	700,000	$0.54	July 14, 2025	0.79	$0.38	700,000
August 10, 2020	600,000	$0.67	August 10, 2025	0.86	$0.47	600,000
March 18, 2021*	7,250,000	$0.72	March 18, 2026	1.42	$0.49	-
July 26, 2021*	500,000	$0.72	July 26, 2026	1.82	$0.50	-
February 23, 2023**	2,250,000	$0.51	February 23, 2028	3.40	$0.18	1,125,000
February 23, 2023**	6,900,000	$0.45	February 23, 2028	3.40	$0.19	3,450,000
	18,200,000	$0.58				5,875,000

* The stock options are subject to vesting terms of one quarter of granted stock options to each 50,000 ounces of production and will be recognized as exercisable when conditions have been met.

** The stock options are subject to vesting term of one half of granted stock options on the first anniversary date of grant and one half of granted stock options on the second anniversary date of grant.

(Expressed in Canadian Dollars)

12. SHARE-BASED PAYMENTS – STOCK OPTION PLAN (Continued)

A summary of stock option activity during the nine month period ended September 30, 2024 and the year ended December 31, 2023, is as follows:

	September 30, 2024		December 31, 2023	
	Number of Stock Options #	**Average Exercise Price $**	Number of Stock Options #	Average Exercise Price $
Outstanding beginning of period	25,700,000	0.46	17,542,000	0.44
Granted	-	-	9,150,000	0.46
Expired	(200,000)	(0.16)	(492,000)	(0.15)
Exercised	(7,300,000)	(0.16)	(500,000)	(0.15)
Outstanding end of period	18,200,000	0.58	25,700,000	0.46

13. PROVISION FOR ASSET RETIREMENT OBLIGATION

The decommissioning liability is estimated based on the timing of costs to be incurred in future years. The Company made the following changes to its decommissioning liability:

	$
Opening January 1, 2024	603,738
Accretion	51,346
Change in foreign exchange	(72,982)
Closing September 30, 2024	582,102

The provision for site reclamation and closure consists of mine closure costs, reclamation and retirement obligations for mine facilities and infrastructure. The present value of the Santana Project future rehabilitation liability was estimated at $582,102 as at September 30, 2024 (December 31, 2023 – $603,738).

As at September 30, 2024, estimates include inflation rate of 9.2% and a discount rate of 11.5% (December 31, 2023 – 9.2% and 11.5%, respectively).

14. FINANCIAL RISK MANAGEMENT

The Company may be exposed to risks of varying degrees of significance which could affect its ability to achieve its strategic objectives. The main objectives of the Company's risk management processes are to ensure that the risks are properly identified and that the capital base is adequate in relation to those risks. The principal risks to which the Company is exposed are described below.

a) Credit risk management

Credit risk is the risk that a client or vendor will be unable to pay or receive any amounts owed or owing to the Company. Management's assessment of the Company's credit risk is low as it is primarily attributable to funds held in Canadian banks, sales tax recoverable from the federal government of Canada and value added tax recoverable from the government of Mexico, where taxes are included in amounts receivable.The maximum credit risk exposure of the financial assets is their carrying value.

(Expressed in Canadian Dollars)

14. FINANCIAL RISK MANAGEMENT (Continued)

b) Liquidity risk

Liquidity risk is the risk that the Company is not able to meet its financial obligations as they fall due. There can be no assurance that the Company will be able to obtain adequate financing in the future or that the terms of such financing will be favorable. The Company may seek additional financing through debt or equity offerings, but there can be no assurance that such financing will be available on terms acceptable to the Company or at all. Any equity offering will result in dilution to the ownership interests of the Company's shareholders and may result in dilution to the value of such interest. The Company intends on fulfilling its obligations.

As of September 30, 2024, the Company had a cash and cash equivalents balance of $5,966,559 and other current assets of $13,099,129 (December 31, 2023 – $13,754,272 and $14,212,582 respectively) to settle current accounts payable and accrued liabilities of $13,554,981 (December 31, 2023 – $4,637,505).

The following table details the Company's anticipated repayment schedule for its financial liabilities as at September 30, 2024:

	Contractual cash flows $	Less than 1 year $	1 -3 years $	4 -5 years $	After 5 years $
Accounts payable and accrued liabilities	3,546,109	3,546,109	-	-	-
Lease payable	222,289	97,523	124,766	-	-
Debt	6,457,787	6,457,787	-	-	-
	10,226,185	**10,101,419**	**124,766**	**-**	**-**

c) Market risk

Market risk incorporates a range of risks. Movements in risk factors, such as market price risk and currency risk, affect the fair values of financial assets and liabilities. The Company is exposed to these risks as the ability of the Company to develop or market its properties and the future profitability of the Company is related to the market price of certain minerals.

Price risk

The Company is exposed to price risk with respect to commodity prices as the Company earns revenue from the sale of gold at market prices.

Sensitivity analysis

Based on management's knowledge and experience of the financial markets, the Company believes the following movements are reasonably possible over a twelve-month period.

14. FINANCIAL RISK MANAGEMENT (Continued)

c) Market risk (Continued)

Sensitivity analysis (Continued)

A 10% change in the price of gold during the nine month period ended September 30, 2024 would have resulted in a change in the value of revenue recognized by approximately $400,000 (December 31, 2023 – $940,000

Foreign exchange risk

The Company is subject to foreign exchange risk as the Company has certain assets and liabilities, and makes certain expenditures in US dollars. The Company is therefore subject to gains and losses due to fluctuations in the US dollar relative to the Canadian dollar. The Company does not hedge its foreign exchange risk.

Sensitivity analysis

As at September 30, 2024, the Company has monetary assets denominated in US dollars of approximately USD $2,600,000 (December 31, 2023 – USD$6,800,000). A 10% change in the value of the US dollar relative to the functional currency of the respective entity would result in a corresponding change in net income of approximately $350,000 (December 31, 2023 – $899,000). As at September 30, 2024, the Company has debt denominated in US dollars of approximately USD$5,000,000 (December 31, 2023 - USD$5,000,000). A 10% change in the value of the US dollar relative to the functional currency of the respective entity would result in a corresponding change in net income of approximately $675,000 (December 31, 2023 – $661,000).

Additionally, the Company has inter-company loans that do not form part of its net investment in foreign operations (see note 4). A 10% change between the Canadian dollar and the Mexican Peso would result in unrealized foreign exchange gains or losses of approximately $5,000,000.

The functional and presentation currency of the Company is the Canadian dollar and the functional currency of the Company's Mexican subsidiaries is the Mexican Peso.

d) Fair values

Financial assets include cash and cash equivalents, restricted cash, and accounts receivable. Financial liabilities include accounts payable and accrued liabilities and debt. The carrying value of cash and cash equivalents, restricted cash, accounts receivable, and accounts payable and accrued liabilities is considered representative of their respective fair values due to the short-term period to maturity.

14. FINANCIAL RISK MANAGEMENT (Continued)

d) Fair values (Continued)

IFRS 13, Fair value measurement ("IFRS 13") establishes a fair value hierarchy that prioritizes the input to valuation techniques used to measure fair value as follows:

Level 1 – valuation based on quotes prices in active markets for identical assets or liabilities;
Level 2 – valuation techniques based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability; and
Level 3 – valuation techniques using inputs for the asset or liability that are not based on observable market data.

The Company does not have any financial instruments measured at fair value and that require classification within the fair value hierarchy as at September 30, 2024 and December 31, 2023.

15. CAPITAL RISK MANAGEMENT

The Company's objectives for managing capital are:

a) to safeguard the Company's ability to continue as a going concern, so that it can continue to add value to its projects, acquire additional projects with potential for resources and provide returns for shareholders;
b) to provide an adequate return to shareholders by increasing the value of underlying assets through exploration and development of economic resources; and
c) to generate an adequate return to shareholders by constructing and operating economically viable mines.

Neither the Company nor its subsidiaries are subject to externally imposed capital requirements, other than those of the TSX Venture Exchange ("TSXV"), which requires adequate working capital or financial resources of the greater of (i) $50,000 and (ii) an amount required in order to maintain operations and cover general and administrative expenses for a period of six months.

16. COMMITMENTS AND CONTINGENCIES

On October 30, 2023, upon execution of the loan facility with Auramet, the Company entered into Master Purchase and Sale Agreement whereby the Company agreed to sell any precious metals from its Corex Global and Minera Mirlos to Auramet, on a spot, forward, in-process or prepayment basis for a 36 month period.

On October 30, 2023, upon execution of the loan facility with Auramet, the Company entered into a Call Option Agreement whereby the Company agreed to deliver to Auramet, at Auramet's option, a total of 15,000 ounces of gold over a 15 month period beginning in February 2025 with a strike price of USD$2,175 per ounce.

The Company is party to a royalty agreement with Osisko Gold Royalties which holds a 3% net smelter royalty on the Santana property.

(Expressed in Canadian Dollars)

16. COMMITMENTS AND CONTINGENCIES (Continued)

The Company is party to agreements for key management of which the agreements contain clauses requiring additional payments of $3,075,000 to be made upon the occurrence of certain events such as a change of control or termination. As a triggering event has not yet taken place, the contingent payment has not been reflected in these unaudited condensed interim consolidated financial statements.

During the year ended December 31, 2023, the Company's Mexican subsidiary Corex Global S de RL de SV received a notice for an imposed fine of 8,299,200 MXN (approximately CAD$570,000 at September 30, 2024) from the Ministry of Labour and Social Welfare on the basis of incorrect terms for the relationship between its subcontractor. The Company believes this is a frivolous fine and has submitted the claim against the Federal Court of Administrative Justice to be resolved. As such, no amounts are accrued as notice of fine is believed to be without merit.

17. RELATED PARTY TRANSACTIONS AND BALANCES

Details of transactions between the Company and other related parties are disclosed below.

Related parties include the Board of Directors, close family members and enterprises which are controlled by these individuals as well as certain persons performing similar functions.

The remuneration of directors and key management of the Company for the periods ended September 30, is as follows:

	2024	2023
	$	$
Aggregate compensation	486,000	486,000
Stock-based compensation	427,473	857,853
	913,473	1,343,853

Included in accounts payable and accrued liabilities at September 30, 2024, payable to key management of the Company was $221,500 (December 31, 2023 – $475,000) in relation to outstanding compensation and expenses. These amounts are unsecured, non-interest bearing and due on demand.

Included in accounts receivable as at September 30, 2024, is an amount of $153,000 (December 31, 2023– $153,000) due from key management of the Company. These amounts are unsecured, non-interest bearing and due on demand.

18. SUBSEQUENT EVENT

On October 31, 2024, a gold sale initiated prior to September 30, 2024, was completed resulting in a reversal of the Deferred Revenue which will be reflected in the fourth quarter of 2024. As a result, working capital increased by $1,738,017 which reflects net positive difference of the deferred revenue's being extinguished from current liabilities and the corresponding operating costs associated with the gold sold in the work-in-progress inventory.

18. SUBSEQUENT EVENT (Continued)

On October 27, 2024, the Company announced that it has entered into a definitive agreement whereby the Company will acquire all the issued and outstanding shares of Sabre Gold Mines Corp. pursuant to a plan of arrangement (the “Transaction”). Sabre expects to hold a shareholders meeting on January 14, 2025 and the Transaction is expected to close shortly thereafter. In addition to shareholder and court approvals, the Transaction is also subject to, among other things, obtaining customary regulatory approvals including applicable court and stock exchange approvals and there is no certainty that the Transaction will completed.

On November 20, 2024 the Company announced that it has entered into an agreement with National Bank Financial Inc. as lead underwriter and book runner, and on behalf of a syndicate of underwriters (collectively, the “Underwriters”), pursuant to which the Underwriters will purchase 28,333,000 common shares (the “Shares”) of the Company at a price of C$0.30 (the “Offering Price”) per Common Share, on a “bought deal” private placement basis, with a right to arrange for substituted purchasers, pursuant to the listed issuer financing exemption (“LIFE”), for aggregate gross proceeds to the Company of approximately C$8.5 million (the “Offering”). The Company has also granted NBF an option exercisable at any time up to 48 hours prior to the closing of the Offering, to purchase for placement up to an additional 5,000,000 Shares at the Offering Price, for additional gross proceeds of up to C$1.5 million. The offering is expected to close on or about December 5, 2024.