



**Condensed Interim Consolidated Financial Statements**

**March 31, 2025 and 2024**

(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.

### **NOTICE TO READER**

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

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

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

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

	Notes	March 31, 2025 \$	December 31, 2024 \$
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents		7,295,230	11,760,355
Restricted cash		33,291	31,634
Marketable securities		218,672	-
Accounts receivable	19	847,969	274,591
Inventory	7	11,430,378	10,305,640
Prepaid and other		1,604,356	2,731,143
Taxes receivable		1,666,988	1,550,653
<b>Total current assets</b>		<b>23,096,884</b>	<b>26,654,016</b>
Deferred transaction costs		-	559,102
Long term deposit	8	902,466	-
Taxes receivable		661,982	661,982
Mineral properties and property, plant, and equipment	9,10	28,699,494	19,556,488
<b>Total assets</b>		<b>53,360,826</b>	<b>47,431,588</b>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Accounts payable and accrued liabilities		6,439,875	5,089,601
Current portion of lease payable	11	107,220	99,921
Deferred revenue	7	825,638	1,861,296
Current portion of debt	12	6,439,037	4,091,844
<b>Total current liabilities</b>		<b>13,811,770</b>	<b>11,142,662</b>
Long term debt	12	-	2,094,087
Lease payable	11	72,740	99,039
Provision for asset retirement obligation	6,15	3,306,685	669,959
Deferred revenue on stream arrangement	16	8,158,151	-
<b>Total liabilities</b>		<b>25,349,346</b>	<b>14,005,747</b>
<b>Shareholders' equity</b>			
Share capital	6,13	141,416,194	114,845,699
Contributed surplus		3,827,073	3,827,073
Options reserve	6,14	3,731,530	2,228,175
Cumulative translation adjustment		(260,237)	225,251
Deficit		(120,703,080)	(87,700,357)
<b>Total shareholders' equity</b>		<b>28,011,480</b>	<b>33,425,841</b>
<b>Total liabilities and shareholders' equity</b>		<b>53,360,826</b>	<b>47,431,588</b>

Basis of Presentation and Going Concern (note 2)

Commitments and contingencies (note 18)

Subsequent Event (note 20)

Approved by the Board:

Signed: "Bruce Durham"

Director

Signed: "Darren Koningen"

Director

Please see accompanying notes to the consolidated financial statements

**Minera Alamos Inc.**

**Condensed Interim Consolidated Statements of (Loss) and Comprehensive (Loss)**

**(Expressed in Canadian dollars)**

**(Unaudited)**

		<b>For the three months ended March 31,</b>	
	<b>Notes</b>	<b>2025</b>	<b>2024</b>
		<b>\$</b>	<b>\$</b>
<b>Revenues</b>		<b>3,472,542</b>	<b>2,460,378</b>
<b>Cost of sales:</b>			
Mining, processing and operations	7	<b>2,578,182</b>	2,517,303
Depletion		<b>60,523</b>	39,589
Total cost of sales		<b>2,638,705</b>	2,556,892
<b>Income (loss) from mine operations</b>		<b>833,837</b>	(96,514)
<b>Expenses</b>			
Depreciation		<b>27,264</b>	36,685
Accretion	12,15	<b>559,976</b>	378,236
Exploration and evaluation	6,9	<b>31,496,493</b>	1,136,044
Insurance		<b>21,611</b>	21,655
Interest on lease liability		<b>3,665</b>	5,565
Investor relations		<b>172,412</b>	103,328
Office and administration		<b>177,437</b>	163,665
Professional fees		<b>674,174</b>	284,135
Salaries and compensation	19	<b>356,725</b>	421,510
Share-based compensation	14,19	<b>1,364,127</b>	247,303
Transfer agent regulatory fees		<b>41,377</b>	32,258
Travel		<b>70,439</b>	70,121
Transaction costs	6	<b>752,356</b>	-
Total expenses		<b>35,718,056</b>	2,900,505
<b>(Loss) before the undernoted</b>		<b>(34,884,219)</b>	(2,997,020)
<b>Other Items</b>			
Foreign exchange loss (gain)		<b>(1,832,892)</b>	(3,483,137)
Other income		<b>(48,604)</b>	(42,243)
Total other items		<b>(1,881,496)</b>	(3,525,380)
<b>Net (loss) income for the period</b>		<b>(33,002,723)</b>	528,360
Foreign currency translation (loss) gain		<b>(485,488)</b>	(1,710,390)
<b>Net (loss) and comprehensive (loss) for the period</b>		<b>(33,488,211)</b>	(1,182,030)
<b>Net (loss) income per share:</b>			
Basic and diluted		<b>(0.065)</b>	0.001
<b>Weighted average number of common shares outstanding:</b>			
Basic and diluted		<b>508,241,197</b>	462,883,853

*Please see accompanying notes to the consolidated financial statements*

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

	Note	Share capital		Contributed surplus	Options reserve	Cummulative translation reserve	Deficit	Total equity
		Number of shares	Amount					
<b>Balance, December 31, 2023</b>		<b>462,883,853</b>	<b>\$ 105,151,540</b>	<b>\$ 3,809,073</b>	<b>\$ 3,508,667</b>	<b>\$ (4,648,123)</b>	<b>(70,132,427)</b>	<b>37,688,730</b>
Options issued	14	-	-	-	247,303	-	-	247,303
Net income for the period		-	-	-	-	(1,710,390)	528,360	(1,182,030)
<b>Balance, March 31, 2024</b>		<b>462,883,853</b>	<b>\$ 105,151,540</b>	<b>\$ 3,809,073</b>	<b>\$ 3,755,970</b>	<b>\$ (6,358,513)</b>	<b>\$ (69,604,067)</b>	<b>\$ 36,754,003</b>
<b>Balance, December 31, 2024</b>		<b>499,016,853</b>	<b>\$ 114,845,699</b>	<b>\$ 3,827,073</b>	<b>\$ 2,228,175</b>	<b>\$ 225,251</b>	<b>\$ (87,700,357)</b>	<b>33,425,841</b>
Shares and options issued on acquisition	6	76,499,114	\$ 26,009,699	-	139,229	-	-	26,148,928
Shares issued for debt settlement	13	1,901,648	\$ 560,796	-	-	-	-	560,796
Options issued	14	-	-	-	1,364,126	-	-	1,364,126
Net loss for the period		-	-	-	-	(485,488)	(33,002,723)	(33,488,211)
<b>Balance, March 31, 2025</b>		<b>577,417,615</b>	<b>\$ 141,416,194</b>	<b>\$ 3,827,073</b>	<b>\$ 3,731,530</b>	<b>\$ (260,237)</b>	<b>\$ (120,703,080)</b>	<b>\$ 28,011,480</b>

*Please see accompanying notes to the consolidated financial statements*

**Minera Alamos Inc.**  
**Condensed Interim Consolidated Statements of Cash Flows**  
**(Expressed in Canadian dollars)**  
**(Unaudited)**

		For the three months ended	
		March 31,	
	Notes	2025	2024
		\$	\$
<b>Cash flows from operating activities</b>			
Net (loss) income for the period		(33,002,723)	528,360
<b>Adjustments to reconcile net loss to net cash flows:</b>			
Non-cash adjustments:			
Depreciation		27,264	36,685
Depletion		60,523	39,589
Accretion		559,976	378,236
Interest on lease liability		3,665	5,565
Share-based compensation		1,364,127	247,303
Exploration and evaluation acquired through issuance of shares	6	30,474,816	-
Unrealized foreign exchange loss (gain)		(1,142,346)	(2,310,836)
		(1,654,698)	(1,075,098)
Changes in non-cash operating activities		(2,356,938)	(382,603)
<b>Net cash (used in) from operating activities</b>		<b>(4,011,636)</b>	<b>(1,457,701)</b>
<b>Cash flows from investing activities</b>			
Acquisition of property plant and equipment		(160,166)	-
Restricted cash		(1,657)	-
Cash acquired on acquisition		16,884	-
Cash advanced as part of Acquisition of Sabre Gold Mines Corp.		(258,491)	-
<b>Net cash (used in) investing activities</b>		<b>(403,430)</b>	<b>-</b>
<b>Cash flows from financing activities</b>			
Lease payments		(27,933)	(27,384)
<b>Net cash (used in) financing activities</b>		<b>(27,933)</b>	<b>(27,384)</b>
<b>Effect of changes in foreign exchange</b>		<b>(22,126)</b>	<b>(424,685)</b>
<b>Net decrease in cash and cash equivalents</b>		<b>(4,465,125)</b>	<b>(1,909,770)</b>
Cash and cash equivalents, beginning of period		11,760,355	13,754,272
<b>Cash and cash equivalents, end of period</b>		<b>7,295,230</b>	<b>11,844,502</b>
<b>Supplemental information:</b>			
Interest paid		266,463	252,626
Shares issued for debt		560,796	-
Property plant and equipment acquired through issuance of shares		8,893,335	-

*Please see accompanying notes to the consolidated financial statements*

## **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 and the United States. 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., Minera Mirlos, S. de R.L. de C.V., and Corex Global S de RL de SV and its wholly owned subsidiary, Sabre Gold Mines and its subsidiaries, American Bonanza Gold Corp. and Bonanza Explorations Inc. 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 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 cast significant doubt about the Company’s ability to continue as a going concern. These 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.

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.

## **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, 2024.

The policies applied in these condensed interim consolidated financial statements are based on IFRS issued and outstanding as of May 30, 2025, the date the Board of Directors approved these condensed interim consolidated financial statements.

#### **4. MATERIAL ACCOUNTING POLICIES**

These unaudited condensed interim consolidated financial statements should be read in conjunction with the Company's audited consolidated financial statements for the year ended December 31, 2024. The Company's significant accounting policies are presented under Note 4 in the audited consolidated financial statements as at and for the year ended December 31, 2024 and have been consistently applied in the preparation of these unaudited condensed interim consolidated financial statements.

##### **Asset acquisition**

The determination of whether a set of assets acquired and liabilities assumed constitute the acquisition of a business or asset may require management to make certain judgments as to whether or not the assets acquired and liabilities assumed include the inputs, processes and outputs necessary to constitute a business as defined in IFRS 3 – Business Combinations. The Company determined that the assets and liabilities acquired through Sabre Gold Mine Corp. did not meet the definition of a business based on the criteria outlined by IFRS 3. As such, the Company determined that the acquisition of Sabre Gold Mine Corp was not a business combination and accordingly this acquisition was accounted for as an asset acquisition. See Note 6.

##### **Deferred revenue on stream arrangement**

Deferred revenue arises from up-front payments received by the Company or obligations acquired in consideration for future commitments as specified in its various streaming arrangements. The accounting for streaming arrangements is dependent on the facts and terms of each of the arrangements. Revenue from streaming arrangements are recognized when the customer obtains control of the gold metal and the Company has satisfied its performance obligations.

The Company identified significant financing components related to its streaming arrangements resulting from a difference in the timing of the up-front consideration received and delivery of the promised goods.

#### **5. SIGNIFICANT ACCOUNTING JUDGMENTS AND ESTIMATES**

The Company makes estimates and assumptions about the future that affect the reported amounts of assets and liabilities. Estimates and judgments are continually evaluated based on the historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. In the future, actual experience may differ from these estimates and assumptions.

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, 2024.



**Minera Alamos Inc.**  
**Notes to the Condensed Interim Consolidated Financial Statements**  
**For the three month periods ended March 31, 2025 and 2024**  
**(Expressed in Canadian Dollars)**

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**6. ACQUISITION OF SABRE GOLD MINES CORP.**

The Company entered into a definitive agreement (“the Agreement”) on October 27, 2024, which was approved by Sabre Gold Mines Corp. (“Sabre”) shareholders pursuant to a special meeting held on January 14, 2025, and closed on February 6, 2025, to acquire Sabre and its Copperstone gold project. Under the terms of the Agreement (“the Transaction”), each Sabre shareholder received 0.693 of a Minera common share of the Company, in exchange for each Sabre share held resulting in the issuance of 76,499,114 Minera Alamos shares. In connection with this transaction the Company also issued 2,546,775 share purchase options.

The transaction does not constitute a business combination as Sabre did not meet the definition of a business under IFRS 3, Business Combinations. As a result, the transaction is accounted for as an acquisition of assets.

**Consideration Paid**

Common shares issued in exchange for Sabre net assets	76,499,114
Price per share	\$ 0.34
Total common share consideration	\$ 26,009,699
Options issued	139,229
Cash advance payments	<u>258,491</u>
<b>Total consideration</b>	<b>\$ 26,407,419</b>

**Purchase Price allocation is as follows:**

Current assets acquired	\$ 1,237,621
Plant and equipment acquired	8,893,335
Exploration projects acquired	30,474,816
Current liabilities assumed	(3,211,740)
Deferred revenue on stream arrangement assumed	(8,409,404)
Provision for asset retirement liability assumed	<u>(2,577,209)</u>
	<b>\$ 26,407,419</b>

The Company’s accounting policy is to expense all costs relating to the acquisition of, exploration for and development of mineral properties. As such the exploration and evaluation projects, noted in the table above, were expensed upon acquisition.

**6. DEFERRED REVENUE AND INVENTORIES**

As at March 31, 2025, the Company received payments that were recorded as deferred revenue of \$825,638 (December 2024 - \$1,861,296) 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 was \$543,411 (December 2024 - \$1,056,581) which is included in work-in-process inventory.

**Minera Alamos Inc.**  
**Notes to the Condensed Interim Consolidated Financial Statements**  
**For the three month periods ended March 31, 2025 and 2024**  
**(Expressed in Canadian Dollars)**

**7. DEFERRED REVENUE AND INVENTORIES (CONTINUED)**

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:

<b>Inventory</b>	<b>March 31, 2025 \$</b>	<b>December 31, 2024 \$</b>
Leach pad mineralized material	<b>10,281,504</b>	8,878,248
Work-in-process	<b>833,969</b>	1,056,581
Supplies	<b>314,905</b>	370,811
<b>Total</b>	<b>11,430,378</b>	10,305,640

Inventory that was expensed in the three month period ended March 31, 2025 totalled to \$2,120,377 (March 31, 2024 - \$1,392,558).

**8. LONG TERM DEPOSIT**

	<b>March 31, 2025</b>
<b>Deposit <sup>(1)</sup></b>	<b>\$ 902,466</b>

(1) Pursuant to the term of the surety bond disclosed in (note 18) the Company provided cash collateral of US\$619,540 which is held with Intact Insurance in the name of the Company to cover a portion of the decommissioning liabilities.

**9. MINERAL PROPERTIES AND EXPLORATION AND EVALUATION EXPENSE**

	<b>For the three months ended March 31,</b>	
	<b>2025</b>	<b>2024</b>
	<b>\$</b>	<b>\$</b>
Santana, Mexico <sup>(i) (ii)</sup>	<b>17,809</b>	520,448
Cerro de Oro, Mexico <sup>(iii)</sup>	<b>284,112</b>	361,565
La Fortuna, Mexico <sup>(ii)</sup>	<b>109,690</b>	116,531
Los Verdes, Mexico <sup>(ii)</sup>	<b>112,278</b>	134,750
Copperstone, US <sup>(iii)</sup>	<b>30,972,604</b>	-
Other	-	2,750
<b>Total</b>	<b>31,496,493</b>	1,136,044

(i) All development costs incurred related to the project are capitalized.

(ii) Inclusive of property holding costs.

(iii) Inclusive of \$30,474,816 of mineral property costs that were expensed upon acquisition.

**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 current three month period ended March 31, 2025, the Company continued mining and development activities at Santana.

## **9. MINERAL PROPERTIES AND EXPLORATION AND EVALUATION EXPENSE (CONTINUED)**

### **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.

As of August 2, 2024, the Company had completed the final earn-in payment for the Cerro de Oro project.

**The payment schedule was as follows:**

Amount (USD)	Installment Due Date	Cash Paid CAD\$	Fair Value of Shares Issued
400,000 cash + 2,000,000 shares <sup>(a)</sup>	Paid on Closing	\$531,600	\$1,440,000
300,000 cash <sup>(a)</sup> + 500,000 shares <sup>(b)</sup>	Paid in 2021	\$394,832	\$285,000
400,000 cash <sup>(a)</sup> + 500,000 shares <sup>(c)</sup>	Paid in 2022	\$516,154	\$242,500
800,000 cash <sup>(a)</sup> + 500,000 shares <sup>(d)</sup>	Paid in 2023	\$1,053,568	\$170,000
1,000,000 cash <sup>(a)</sup> + 500,000 shares <sup>(e)</sup>	Paid in 2024	\$1,295,250	\$147,500

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.

### **Copperstone project, Arizona, US**

The Copperstone Project, located in La Paz County, Arizona, U.S., is a 100%-owned brownfields underground gold project. The Copperstone Project, which encompasses mineral rights under certain federal unpatented mining claims, was acquired with the acquisition of Sabre (see Note 6).

### **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.

**Minera Alamos Inc.**  
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**9. MINERAL PROPERTIES AND EXPLORATION AND EVALUATION EXPENSE (CONTINUED)**

**C4H project, State of Sonora, Mexico**

In 2024, merger agreements between the Company's former subsidiary Cobre 4H de Sonora de Mexico and Minera Gold Copper de Sonora, S. DE R.L. de C.C ("Minera Gold Copper") an unrelated Mexican company. Pursuant to the agreements, share ownership in the Cobre subsidiary will be divided between the Company (50%) and Minera Gold Copper (50%). Cobre 4H will own the Company's copper projects Los Verdes and Potreritos copper projects as well as Minera Gold Copper's Suaqui Verde copper project and certain rights to additional surrounding claims associated with the Suaqui Verde copper district collectively the "JV mineral property assets". It is expected that the mineral property asset transfers from both parties will be completed in 2025. As of March 31, 2025, the JV mineral property assets have not been transferred to Cobre 4H. It is expected that the JV mineral property assets from both parties will be completed in 2025.

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.

**10. MINERAL PROPERTIES AND PROPERTY PLANT AND EQUIPMENT**

	Mineral Properties		Property, Plant and Equipment				
	Santana		Mining	Office and		Right of Use	
Cost	Project (ii)	Building (ii)	Equipment (ii)	Equipment	Vehicles	Building (i)	Total
Balance at December 31, 2023	\$ 21,687,246	\$ -	\$ 1,589,436	\$ 206,210	\$ 268,981	\$ 739,030	\$ 24,490,903
Additions (disposals)	342,530	-	2,370	-	2,778	-	347,678
Disposals	-	-	(13,563)	(26,104)	(44,410)	-	(84,077)
Effect of changes in foreign exchange	(2,330,103)	-	(94,015)	(11,193)	(25,093)	-	(2,460,404)
Balance at December 31, 2024	19,699,673	-	1,484,228	168,913	202,256	739,030	22,294,099
Additions (disposals)	142,554	-	13,951	3,661	-	-	160,166
Assets acquired upon acquisition	-	2,875,665	6,017,670	-	-	-	8,893,335
Effect of changes in foreign exchange	318,672	16,295	46,752	3,091	3,959	-	388,769
Balance at March 31, 2025	20,160,899	2,891,960	7,562,601	175,665	206,215	739,030	31,736,369
Accumulated depreciation							
Balance at December 31, 2023	1,174,478	-	187,103	189,062	177,614	480,621	2,208,878
Depreciation	-	-	76,884	12,477	46,068	88,600	224,029
Depletion	533,950	-	-	-	-	-	533,950
Disposals	-	-	(13,563)	(26,104)	(44,410)	-	(84,077)
Effect of changes in foreign exchange	(133,552)	-	(5,428)	(3,431)	(2,758)	-	(145,169)
Balance at December 31, 2024	1,574,876	-	244,996	172,004	176,514	569,221	2,737,611
Depreciation	-	-	18,776	646	7,842	22,150	49,414
Depletion	208,801	-	-	-	-	-	208,801
Effect of changes in foreign exchange	33,722	-	4,033	-	3,295	-	41,050
Balance at March 31, 2025	1,817,399	-	267,805	172,650	187,651	591,371	3,036,876
Carrying amounts							
Balance at December 31, 2023	20,512,768	-	1,402,333	17,148	91,367	258,409	22,282,025
Balance at December 31, 2024	18,124,797	-	1,239,232	3,091	25,742	169,809	19,556,488
Balance at March 31, 2025	\$ 18,343,500	\$ 2,891,960	\$ 7,294,796	\$ 3,015	\$ 18,564	\$ 147,659	\$ 28,699,494

(i) Depreciation related to the right-of-use asset is included in office and administration expense.

(ii) Includes assets not ready for use.

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**11. LEASE PAYABLE**

	<b>March 31, 2025</b>	<b>December 31, 2024</b>
Maturity Analysis – contractual undiscounted cash flows	\$	\$
Less than one year	<b>111,732</b>	<b>111,732</b>
Remaining life	<b>74,488</b>	<b>102,421</b>
Total undiscounted lease liabilities	<b>186,220</b>	<b>214,153</b>
Effect of discounting	<b>(11,528)</b>	<b>(15,193)</b>
Present value of lease payments	<b>174,692</b>	<b>198,960</b>
Less current portion	<b>(101,952)</b>	<b>(99,921)</b>
Long-term lease liabilities	<b>72,740</b>	<b>99,039</b>

The following table summarizes the lease activity:	<b>March 31, 2025</b>	<b>December 31, 2024</b>
	\$	\$
Balance, beginning of period	<b>198,960</b>	<b>289,046</b>
Accretion	<b>3,665</b>	<b>19,633</b>
Lease payments	<b>(27,933)</b>	<b>(109,719)</b>
Balance, end of period	<b>174,692</b>	<b>198,960</b>

Also included in lease payable as at March 31, 2025 is \$5,268 for a lease liability assumed on the acquisition of Sabre Gold Mines which is in the final months of the lease.

**12. 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 facility 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 March 31, 2025.

Prior to the October 30, 2024 and November 29, 2024 amendments to the loan facility agreement, if the Company did not meet the closing conditions or would 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 loan facility 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.

On October 30, 2024, the Company and Auramet amended the loan facility to extend the term of the maturity date from October 30, 2024 to November 29, 2024, for a fee of USD\$20,000. On November 29, 2024, by way of a USD\$400,000 extension amount contemplated in the original loan facility, the Company and Auramet extended the term and cash flows of the remaining loan facility by six months. A gain on change in cash flows of the debt of \$292,878 was recorded during the year ended December 31, 2024 being the difference between the net present value of the original expected cash flows of \$4,816,436 and the net present value of the loan of \$4,605,307 considering the change in expected cash flows of the debt.

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**12. DEBT (CONTINUED)**

In January 2025, the extension amount of USD\$400,000 was settled with the issuance of 1,901,648 common shares of the Company, which as at December 31, 2024 was included in accounts payable and accrued liabilities.

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 March 31, 2025, 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. During the year ended December 31, 2024, the Company recorded transaction costs of USD\$420,000 (CAD\$630,520) related to the extensions. As at March 31, 2025, the balance of the debt is CAD\$6,439,037.

	\$
Balance as at December 31, 2023	5,981,846
Accretion	1,589,361
Gain on change in cash flows	(292,878)
Additional costs of issuance	(630,520)
Effect of foreign exchange	(461,878)
Balance as at December 31, 2024	6,185,931
Accretion	525,158
Effect of foreign exchange	(272,052)
Balance as at March 31, 2025	6,439,037

**13. SHARE CAPITAL**

**(a) Authorized, issued and outstanding common shares**

Authorized – unlimited number of common shares without par value.

Issued and outstanding – 577,417,615 at March 31, 2025 and 499,016,853 at December 31, 2024.

**(b) Transactions**

(i) 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 9).

(ii) During the year ended December 31, 2024, 7,300,000 stock options to acquire common shares at an average price of \$0.16 were exercised for gross value of \$1,168,000.

(iii) On December 5, 2024, the Company issued 28,333,000 common shares at \$0.30 per common share for gross value of \$8,499,900 on a “bought deal” private placement basis.

(iv) On January 15, 2025, the Company issued 1,901,648 common shares at \$0.2949 per common share for gross value of \$460,796 (US\$400,000) for a debt settlement. The fair value of these shares was estimated based on their trading price on the date of the settlement.

(v) On February 6, 2025, the Company issued 76,499,114 common shares at \$0.34 per common share for gross value of \$26,009,699 for the Sabre Gold Mines acquisition. The fair value of these shares was estimated based on their trading price on the date of the settlement.

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**14. SHARE-BASED PAYMENTS – STOCK OPTION PLAN**

The Company has an Omnibus Incentive Plan (the “Plan”) available to its employees, officers, directors and consultants which has been approved as amended by the shareholders on February 28, 2025. The number of common shares is limited to 10% of the Company’s issued and outstanding shares.

During the three month period ended March 31, 2025, the Company issued stock options to acquire common shares of 6,200,000 options at a price of \$0.33 per common share and 800,000 options at a price of \$0.60 per common share with immediate vesting terms and 5 year life (December 31, 2024 – Nil). The Company issued replacement stock options of 2,546,775 at a price range of between \$0.26 and \$2.02 per common share. During the three months ended March 31, 2025, the Company had a share-based expense of \$1,364,127 (March 31, 2024 – expense of \$247,303).

At March 31, 2025, the following options were outstanding:

<b>Grant Date</b>	<b>Number of Stock Options</b>	<b>Exercise Price</b>	<b>Expiration</b>	<b>Remaining Years</b>	<b>Grant Date Fair Value</b>	<b>Number Exercisable Stock Options</b>
July 14, 2020	700,000	\$0.54	July 14, 2025	0.29	\$0.38	700,000
August 10, 2020	600,000	\$0.67	August 10, 2025	0.36	\$0.47	600,000
March 18, 2021*	7,250,000	\$0.72	March 18, 2026	0.96	\$0.49	-
July 26, 2021*	500,000	\$0.72	July 26, 2026	1.33	\$0.50	-
February 23, 2023	2,250,000	\$0.51	February 23, 2028	2.90	\$0.18	2,250,000
February 23, 2023	6,900,000	\$0.45	February 23, 2028	2.90	\$0.19	6,900,000
February 6, 2025	6,200,000	\$0.33	February 6, 2030	4.86	\$0.19	6,200,000
February 6, 2025	800,000	\$0.60	February 6, 2030	4.86	\$0.19	800,000
February 6, 2025	2,546,775	\$0.26-\$2.02				2,546,775
	<b>27,746,775</b>	<b>\$0.40</b>				<b>19,996,775</b>

\* 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.

A summary of stock option activity during the three month period ended March 31, 2025 and the year ended December 31, 2024, is as follows:

	<b>March 31, 2025</b>		<b>December 31, 2024</b>	
<b>Number of Stock Options #</b>		<b>Average Exercise Price \$</b>	<b>Number of Stock Options #</b>	<b>Average Exercise Price \$</b>
Outstanding beginning of period	18,200,000	0.58	25,700,000	0.46
Granted	7,000,000	0.23	-	-
Issued	2,546,775	0.19	-	-
Expired	-	-	(200,000)	(0.16)
Exercised	-	-	(7,300,000)	(0.16)
Outstanding end of period	<b>27,746,775</b>	<b>0.40</b>	<b>18,200,000</b>	<b>0.58</b>

## **15. 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:

	\$
Closing December 31, 2023	603,738
Accretion	53,417
Change in foreign exchange	12,804
Closing December 31, 2024	669,959
Acquired on acquisition of Sabre	2,577,209
Accretion	34,818
Change in estimate and foreign exchange	24,699
Closing March 31, 2025	3,306,685

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 is estimated at \$695,704 as at March 31, 2025 (December 31, 2024 – \$669,959). As at March 31, 2025, estimates include inflation rate of 5.0% and a discount rate of 10% (December 31, 2024 – 5.0% and 10%, respectively).

The present value of the Copperstone Project future rehabilitation liability is estimated at \$2,610,981 as at March 31, 2025. As at March 31, 2025, estimates include an inflation rate of 2.09% and a discount rate of 3.88%.

## **16. DEFERRED REVENUE ON STREAM ARRANGEMENT**

On the acquisition of Sabre, the Company recorded a deferred revenue long term liability of \$8,409,404 who had entered into a Gold Purchase Sale Agreement with Star Royalties ("the GPSA") in November 2020. On October 31, 2023, the GPSA was Amended to fix the gold entitlement at 4% of the payable gold ounces produced for the life of mine. On February 6, 2025, the GPSA was restated and amended to reflect the acquisition by Minera. Management expects that the GPSA will be settled through future production and as such it meets the own-use exception and falls outside the scope of IFRS 9 - "Financial Instruments". As a result, this Stream liability has been accounted for under the rules of IFRS 15 - "Revenue from Contracts with Customers".

The Company identified significant financing components related to its streaming arrangements resulting from a difference in the timing of the up - front consideration received and delivery of the promised goods and recognized the interest expenses at the incremental interest rate of 17.25%.

The movements in the Company's deferred revenue are presented below:

<b>Balance, on acquisition of Sabre</b>	<b>\$ 8,409,405</b>
Accrued interest	212,856
Foreign exchange movements	(464,110)
<b>Balance, March 31, 2025</b>	<b>8,158,151</b>



## **17. 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.

## **18. 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 20 month period beginning in February 2025 with a strike price of USD\$2,175 per ounce based on the Company's expected production.

The Company is party to a royalty agreement with Osisko Gold Royalties which holds a 3% net smelter royalty on the Santana property (see Note 9).

The Company has a surety bond of an insurance company in connection with the Copperstone property. Cash collateral of \$859,465 (US\$619,540) is held with Intact Insurance in the name of the Company in a short-term cashable account, recorded as a long term deposit as at March 31, 2025 (see Note 8).

The Company is party to agreements for key management of which there are no included minimum commitments. 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 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\$575,000 at March 31, 2025) from the Ministry of Labour and Social Welfare on the basis of misunderstood terms of the employment 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 were accrued. Subsequent to March 31, 2025, the Company deposited a cash guarantee of the imposed fine plus inflation of 632,000 MXN (approximately CAD\$44,246) with the Ministry of Finance of Sonora State which would be returned with the dismissal of the fine.

## **19. 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 March 31, is as follows:

	2025	2024
	\$	\$
Aggregate compensation	171,000	165,000
Stock-based compensation	888,389	142,491

Included in accounts payable and accrued liabilities at March 31, 2025, payable to key management of the Company was \$191,000 (December 31, 2024 – \$155,000) in relation to outstanding compensation and expenses. These amounts are unsecured, non-interest bearing and due on demand.

Included in accounts receivable as at March 31, 2025, is an amount of \$87,400 (December 31, 2024– \$87,400) due from key management of the Company. These amounts are unsecured, non-interest bearing and due on demand.

## **20. SUBSEQUENT EVENTS**

In April 2025, the Company issued 3,387,564 common shares to settle outstanding amounts of \$951,000.

On April 28, 2025, 221,760 options to acquire common shares at a price of \$1.88 per share expired unexercised.

On May 7, 2025, 2,151,765 options to acquire common shares at a price range of \$0.26 to \$2.02 per share expired unexercised.