MINAURUM GOLD INC

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

(Unaudited – expressed in Canadian dollars)

For the nine months ended January 31, 2024 and 2023

NOTICE OF NO AUDITOR REVIEW OF

CONDENSED INTERIM FINANCIAL STATEMENTS

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

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

MINAURUM GOLD INC.
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF FINANCIAL POSITION
(Unaudited – expressed in Canadian dollars)

		January 31, 2024		April 30, 2023
ASSETS				
Current assets				
Cash	$	526,144	$	1,503,938
Receivables (Note 4)		2,595		69,604
Marketable securities (Note 5)		122,109		396,853
Prepaid expenses		88,844		107,900
		739,692		**2,078,295**
Exploration and evaluation assets (Note 6)		8,571,985		8,475,460
	$	**9,311,677**	$	**10,553,755**
LIABILITIES				
Current liabilities				
Accounts payable and accrued liabilities (Note 7)	$	208,620	$	161,264
		208,620		**161,264**
Deferred income tax liability		201,000		201,000
		201,000		**201,000**
		409,620		**362,264**
SHAREHOLDERS' EQUITY				
Share capital (Note 8)		59,517,255		58,735,073
Share subscriptions received		-		-
Reserves (Note 8)		9,697,005		9,211,259
Deficit		(60,312,203)		(57,754,841)
		8,902,057		**10,191,491**
	$	**9,311,677**	$	**10,553,755**

NATURE AND CONTINUANCE OF OPERATIONS (NOTE 1)

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

SIGNED: *“Lawrence Talbot”*

SIGNED: *“Darrell A. Rader”*

MINAURUM GOLD INC.
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF LOSS AND COMPREHENSIVE LOSS
(Unaudited – expressed in Canadian dollars)

	Three months ended January 31,		Nine months ended January 31,	
	2024	**2023**	**2024**	**2023**
EXPENSES				
Consulting fees (Note 7)	$ 54,227	$ 53,589	$ 161,730	$ 223,148
Directors' fees (Note 7)	20,000	20,000	60,000	60,000
Exploration costs (supplemental schedule) (Note 6, 7)	333,534	667,988	1,087,816	2,373,702
Filing and registration	17,920	15,082	54,967	67,007
Foreign exchange	22,660	64,942	84,148	177,579
Investor relations and marketing	30,867	26,599	116,467	162,508
Office and administration	37,774	38,753	121,287	129,537
Professional fees	40,255	42,005	111,279	144,171
Share-based payments (Note 7, 8(c))	278,262	101,688	485,746	1,634,219
Travel and meals	203	353	10,171	8,683
OPERATING LOSS	**(835,702)**	**(1,030,999)**	**(2,293,611)**	**(4,980,554)**
Interest income	2,352	5,950	10,993	25,014
Fair value adjustment of marketable securities (Note 5)	(30,527)	(244,217)	(274,744)	(1,862,158)
	(28,175)	**(238,267)**	**(263,751)**	**(1,837,144)**
TOTAL LOSS AND COMPREHENSIVE LOSS FOR THE PERIOD	**$ (863,877)**	**$ (1,269,266)**	**$ (2,557,362)**	**$ (6,817,698)**
LOSS PER COMMON SHARE, BASIC AND DILUTED	$ (0.00)	$ (0.00)	$ (0.01)	$ (0.02)
WEIGHTED AVERAGE NUMBER OF COMMON SHARES OUTSTANDING, BASIC AND DILUTE	373,690,446	366,209,046	368,998,598	366,209,046

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

MINAURUM GOLD INC.

CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

(Unaudited – expressed in Canadian dollars)

	Number of shares		Share capital		Share-based reserves		Deficit		Total equity
April 30, 2022	**366,209,046**	**$**	**58,648,566**	**$**	**7,291,731**	**$**	**(50,065,952)**	**$**	**15,874,345**
Shares issued for mineral properties	443,628		86,507		-		-		**86,507**
Share-based payments	-		-		1,634,219		-		**1,634,219**
Total comprehensive loss for the period	-		-		-		(6,817,698)		**(6,817,698)**
January 31, 2023	**366,652,674**		**58,735,073**		**8,925,950**		**(56,883,650)**		**10,777,373**
Share-based payments	-		-		285,309		-		**285,309**
Total comprehensive loss for the period	-		-		-		(871,191)		**(871,191)**
April 30, 2023	**366,652,674**		**58,735,073**		**9,211,259**		**(57,754,841)**		**10,191,491**
Shares issued for cash	7,275,000		800,250		-		-		**800,250**
Share issuance costs	-		(18,068)		-		-		**(18,068)**
Share-based payments	-		-		485,746		-		**485,746**
Total comprehensive loss for the period	-		-		-		(2,557,362)		**(2,557,362)**
January 31, 2024	**373,927,674**	**$**	**59,517,255**	**$**	**9,697,005**	**$**	**(60,312,203)**	**$**	**8,902,057**

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

MINAURUM GOLD INC.

CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CASH FLOWS

(Unaudited – expressed in Canadian dollars)

	Nine months ended January 31, 2024	Nine months ended January 31, 2023
OPERATING ACTIVITIES		
Loss for the period	$ (2,557,362)	$ (6,817,698)
Items not affecting cash:		
Fair value adjustment of marketable securities	274,744	1,862,158
Interest income	-	(3,740)
Share-based payments	485,746	1,634,219
Changes in non-cash working capital items:		
Receivables	67,009	8,627
Prepaid expenses	19,056	(46,444)
Accounts payable and accrued liabilities	42,179	(430,777)
Cash flows used in operating activities	**(1,668,628)**	**(3,793,655)**
INVESTING ACTIVITIES		
Exploration and evaluation acquisition costs	(96,525)	(796,878)
Option payments received	-	131,877
Cash flows used in investing activities	**(96,525)**	**(665,001)**
FINANCING ACTIVITIES		
Shares issued for private placements	800,250	-
Share issuance costs	(12,891)	-
Cash flows provided by financing activities	**787,359**	**-**
NET CHANGE IN CASH DURING THE PERIOD	**(977,794)**	**(4,458,656)**
CASH, BEGINNING OF THE PERIOD	**1,503,938**	**6,316,230**
CASH, END OF THE PERIOD	**$ 526,144**	**$ 1,857,574**
CASH PAID FOR INTEREST AND TAXES	$ -	$ -
SUPPLEMENTAL SCHEDULE OF NON-CASH TRANSACTIONS		
Shares issued for exploration and evaluation assets	$ -	$ 100,000
Exploration and evaluation assets in accounts payable	$ -	$ (96,415)
Share issuance costs in accounts payable	$ 5,177	$ -

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

MINAURUM GOLD INC.

SUPPLEMENTAL SCHEDULE OF EXPLORATION COSTS

(Unaudited – expressed in Canadian dollars)

	Mexico Vuelcos Property	Mexico Adelita Property	Mexico Aurena Property	Mexico Santa Marta Project	Mexico La Quintera Project	Mexico Taviche Project	Mexico Biricu Project	Mexico Aurífero Project	Mexico General Exploration	USA	Total
Nine months ended January 31, 2024											
Analysis	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 6,196	$ **6,196**
Claim maintenance	-	-	-	-	-	-	-	-	-	103,300	**103,300**
Community relations	-	-	-	-	119,534	-	-	-	-	-	**119,534**
Field supplies and equipment	-	-	-	-	1,149	-	-	145	215	-	**1,509**
General	975	14,837	10,475	746	223,380	746	3,479	820	36,922	397	**292,777**
Geological consulting	4,838	8,409	4,838	108,807	141,116	1,075	4,838	10,213	9,675	12,850	**306,659**
Permitting	-	-	-	-	61,993	-	-	-	-	-	**61,993**
Property taxes	-	-	18,203	105,964	215,048	-	-	79,275	-	-	**418,490**
Reclamation	-	-	-	-	71,807	-	-	-	-	-	**71,807**
Rent	-	12,540	2,432	-	24,641	-	-	-	-	-	**39,613**
Transportation	-	-	-	-	56,771	-	-	145	531	25,535	**82,982**
Recoveries	-	-	-	-	-	-	-	-	(419,209)	-	**(419,209)**
Total for the period	**$ 5,813**	**$ 35,786**	**$ 35,948**	**$ 215,517**	**$ 917,604**	**$ 1,821**	**$ 8,317**	**$ 90,598**	**$ (371,866)**	**$ 148,278**	**$ 1,087,816**
Nine months ended January 31, 2023											
Analysis	$ -	$ -	$ -	$ -	$ 17,302	$ -	$ -	$ 1,334	$ -	$ 6,199	$ **24,835**
Claim maintenance	-	-	-	-	-	-	-	-	-	68,930	**68,930**
Community relations	-	-	-	-	100,105	-	-	-	-	-	**100,105**
Drilling	-	-	-	-	131,311	-	-	-	-	-	**131,311**
Field supplies and equipment	-	-	-	42	14,321	-	-	5,812	-	-	**20,175**
General	488	488	12,117	13,431	152,155	488	488	21,859	42,564	6,615	**250,693**
Geological consulting	5,375	4,838	7,525	84,177	284,463	1,075	6,450	35,120	6,450	37,279	**472,752**
Permitting	-	-	-	-	44,521	-	-	-	-	-	**44,521**
Property taxes	111,071	-	28,311	175,545	185,353	101	375,158	70,996	-	-	**946,535**
Reclamation	-	-	-	-	199,295	-	-	-	-	-	**199,295**
Rent	-	10,771	-	-	20,414	-	-	-	-	-	**31,185**
Surveying	-	-	-	-	16,212	-	-	-	-	9,601	**25,813**
Transportation	-	-	-	86	134,830	-	-	8,421	-	52,652	**195,989**
Recoveries	-	-	-	-	-	-	-	-	(138,437)	-	**(138,437)**
Total for the period	**$ 116,934**	**$ 16,097**	**$ 47,953**	**$ 273,281**	**$ 1,300,282**	**$ 1,664**	**$ 382,096**	**$ 143,542**	**$ (89,423)**	**$ 181,276**	**$ 2,373,702**

During the nine months ended January 31, 2024, the Company paid $111,757 (MXN$1,435,999) (2023 – $235,525 or MXN$3,536,691) in IVA on expenditures incurred in Mexico. The collectability of these amounts is uncertain, therefore the Company has written off these amounts in exploration costs through profit and loss during the nine months ended January 31, 2024 and 2023, respectively. During the nine months ended January 31, 2024, the Company received or accrued $419,209 (MXN - $5,386,537) (2023 - $138,437 or MXN$2,078,803) in IVA refunds on expenditures incurred in Mexico in prior periods, which have been included as a recovery of exploration costs through profit and loss during the nine months ended January 31, 2024 and 2023, respectively.

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

1. Nature and Continuance of Operations:

Minaurum Gold Inc. ("the Company") was incorporated under the Business Corporations Act of British Columbia on November 13, 2007. The Company is an exploration stage company and engages principally in the acquisition and exploration of mineral properties. The Company's head office address is Suite 2710 – 200 Granville Street, Vancouver, BC, V6C 1S4, Canada. The registered and records office address is 10th Floor, 595 Howe Street, Vancouver, BC, V6C 2T5, Canada. The Company is listed on the TSX Venture Exchange.

The Company is in the process of exploring its exploration and evaluation assets and has not yet determined whether its exploration and evaluation assets contain economically recoverable mineral reserves. The underlying value and the recoverability of the amounts shown as exploration and evaluation assets are entirely dependent upon the existence of economically recoverable resource reserves, the ability of the Company to obtain the necessary financing to complete the exploration and development of the exploration and evaluation assets, and future profitable production or proceeds from the disposition of the exploration and evaluation assets.

The Company has a history of losses with no operating revenue, an accumulated deficit of $60,312,203 since inception, and a working capital of $531,072 as at January 31, 2024. Management recognizes that the Company, in the long term, will need to generate additional financial resources to meet its planned business objectives. However, there can be no assurances that the Company will continue to obtain additional financial resources and/or achieve profitability or positive cash flows. If the Company is unable to obtain adequate additional financing, the Company will be required to curtail operations and exploration activities. Furthermore, failure to continue as a going concern would require that the Company's assets and liabilities be restated on a liquidation basis which would differ significantly from the going concern basis. These material uncertainties may cast significant doubt about the Company's ability to continue as a going concern within one year from the date of filing of these condensed consolidated interim financial statements.

These condensed consolidated interim financial statements do not reflect adjustments, which could be material to the carrying values of assets and liabilities, which may be required should the Company be unable to continue as a going concern.

Recent global issues, including the COVID-19 pandemic and recent geopolitical conflict, have adversely affected workplaces, economies, supply chains and financial markets globally. It is not possible for the Company to predict the duration or magnitude of the adverse results of these issues and their effects on the Company's business or results of operations at this time.

2. Significant Accounting Policies:

a) Basis of presentation:

These condensed consolidated interim financial statements including comparatives, have been prepared in accordance with International Accounts Standards ("IAS") 34, "Interim Financial Reporting" using accounting policies consistent with International Financial Reporting Standards ("IFRS"), as issued by the International Accounting Standards Board and Interpretations issued by the International Financial Reporting Interpretations Committee ("IFRIC").

2. Significant Accounting Policies (continued):

a) Basis of presentation (continued):

The condensed consolidated interim financial statements of the Company are presented in Canadian dollars, which is the functional currency of the parent company and its subsidiaries.

These condensed consolidated interim financial statements were authorized for issuance by the Board on March 25, 2024.

b) Basis of consolidation:

These condensed consolidated interim financial statements include the financial statements of the Company and its wholly-owned Mexican subsidiaries, Minera Minaurum Gold S.A. De C.V. and Minera Citation S.A. de C.V., which carry out exploration activities in Mexico, and its wholly-owned USA subsidiary, Minaurum Corp., a Delaware company, which carries out exploration activities in the USA. All material intercompany transactions and balances have been eliminated on consolidation.

c) Recent accounting pronouncements

Certain pronouncements have been issued by the IASB or IFRIC that are effective for accounting periods beginning on or after May 1, 2023. The Company has reviewed these updates and determined that many of these updates are not applicable or consequential to the Company and have been excluded from discussion within these significant accounting policies.

d) Use of judgments and estimates:

The preparation of the condensed consolidated interim financial statements requires management to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and reported amounts of expenses during the reporting period. Actual outcomes could differ from these estimates.

The condensed consolidated interim financial statements include estimates which, by their nature, are uncertain. The impact of such estimates is pervasive throughout the financial statements and may require accounting adjustments based on future occurrences. Revisions to accounting estimates are recognized in the period in which the estimate is revised and future periods if the revision affects both current and future periods. These estimates are based on historical experience, current and future economic conditions and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting estimates

Significant assumptions about the future and other sources of estimation uncertainty that management has made at the financial position reporting date, that could result in a material adjustment to the carrying amounts of assets and liabilities, in the event that actual results differ from assumptions made, relate to, but are not limited to, the following:

<u>Recoverability of receivables</u>

The Company estimates the recoverability of IVA paid on expenditures incurred in Mexico.

2. Significant Accounting Policies (continued):

d) Use of judgments and estimates (continued):

Critical accounting estimates (continued)

Share-based payments

The fair value of stock options and warrants issued are subject to the limitations of the Black-Scholes option pricing model that both incorporates market data and involves uncertainty in estimates used by management in the assumptions.

Because the Black-Scholes option pricing model requires the input of highly subjective assumptions, including the volatility of share prices, changes in subjective input assumptions can materially affect the fair value estimate.

Deferred income tax liability

The Company estimates the expected manner and timing of the realization or settlement of the carrying value of its assets and liabilities and applies the tax rates that are enacted or substantively enacted on the estimated dates of realization or settlement.

Critical accounting judgments

Examples of significant judgments, apart from those involving estimation, include:

Exploration and evaluation assets

Management is required to make judgments on the status of each mineral property and the future plans with respect to finding commercial reserves. The nature of exploration and evaluation activity is such that only a few projects are ultimately successful, and some assets are likely to become impaired in future periods.

Functional currency

The Company applied judgment in determining its functional currency and the functional currency of its subsidiaries. Functional currency was determined based on an analysis of the consideration factors in IAS 21, The Effects of Changes in Foreign Exchange Rates.

3. Capital Management:

The Company manages its capital structure and makes adjustments to it, based on the funds available to the Company, in order to support the acquisition and exploration of exploration and evaluation assets. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business. The capital structure of the Company consists of shareholders' equity. The Company is not exposed to any externally imposed capital requirements.

The exploration and evaluation assets in which the Company currently has an interest are in the exploration stage. As such the Company is dependent on external financing to fund its activities. In order to carry out the planned exploration and pay for administrative costs, the Company will spend its existing working capital and raise additional amounts as needed. The Company will continue to assess new properties and seek to acquire an interest in additional properties if it feels there is sufficient geologic or economic potential and if it has adequate financial resources to do so.

(Unaudited – expressed in Canadian dollars)

3. Capital Management (continued):

Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable.

There were no changes in the Company's approach to capital management during the nine months ended January 31, 2024 and 2023.

4. Receivables:

	January 31, 2024	April 30, 2023
Amounts due from Government of Canada pursuant to GST input tax credits	$ 2,595	$ 8,286
Amounts due from Government of Mexico pursuant to IVA input tax credits	-	61,318
Total	$ 2,595	$ 69,604

5. Marketable securities:

	Marketable securities
Cost	
Balance, April 30, 2022	$ -
Additions	2,442,175
Balance, April 30, 2023 and January 31, 2024	$ 2,442,175
Fair value	
Balance, April 30, 2022	$ 2,442,175
Fair value adjustment	(2,045,322)
Balance, April 30, 2023	396,853
Fair value adjustment	(274,744)
Balance, January 31, 2024	$ 122,109

During the year ended April 30, 2022, the Company received 6,105,438 shares of Infinitum Copper Corp. pursuant to an option agreement on the Adelita property (Note 6(b)).

6. Exploration and Evaluation Assets:

Balance consists of:

	January 31, 2024	April 30, 2022
Aurena, Mexico	$ 1,189,713	$ 1,189,713
Vuelcos del Destino, Mexico	1,411,039	1,411,039
Santa Marta, Mexico	346,294	346,294
Alamos (Quintera), Mexico	3,452,780	3,452,780
Taviche, Mexico	64,573	64,573
Biricu, Mexico	1,127,494	1,127,494
Aurífero, Mexico	656,326	559,801
United States	323,766	323,766
Total	$ 8,571,985	$ 8,475,460

6. Exploration and Evaluation Assets (continued):

Title to exploration and evaluation assets involves certain inherent risks due to the difficulties of determining the validity of certain claims as well as the potential for problems arising from the frequently ambiguous conveyancing history characteristic of many exploration and evaluation assets.

The Company has investigated title to its exploration and evaluation assets and to the best of its knowledge title to the assets is in good standing.

a) Aurena Property, Oaxaca State, Mexico:

On April 30, 2009, the Company acquired an option, subsequently amended, to earn a 100% interest in the Aurena Property for 3,500,000 shares (issued) and $20,000 cash (paid). The property is subject to a net smelter return royalty (“NSR”) of 3%. In November 2010, a related party of the Mexican company that is the optionor of the underlying agreement became a director of the Company.

The Company paid US$140,000, issued 1,100,000 common shares valued at $514,500 and incurred property expenditures of US$2,500,000 to earn its 100% interest in the Aurena property.

Upon commencement of commercial production, the Company shall issue 2,000,000 shares to the vendor. The Company may elect to purchase up to 2% of the NSR for payment of the greater of US$4,000,000 or the equivalent amount of 0.9999 fine physical gold measured in troy ounces priced at the New York closing spot price on the closing date.

b) Adelita Property, Sonora State, Mexico:

On April 23, 2010, the Company acquired an option, subsequently amended, to acquire a 100% interest in a mineral property known as the Adelita property, comprised primarily of a land package under option with a Mexican company that is the optionor of the underlying agreement, along with a minor claim under option with a separate landowner. In November 2010, a related party of the Mexican company became a director of the Company. In consideration, the Company paid $1 to acquire the option.

The Company previously paid US$595,000 and issued 925,000 common shares valued at $470,000 pursuant to the option and owns 100% of the Adelita property.

The property is subject to an NSR of 2%. On April 8, 2021, the Company issued 200,000 common shares valued at $80,000 to eliminate a commercial production payment of 500,000 common shares.

Option Agreement with Infinitum Copper Corp.

In the year ended April 30, 2021, the Company granted to Infinitum Copper Corp. (“Infinitum”, formerly ASR Resources Corp.) an option to earn an 80% interest in the Adelita property. In consideration for the granted option, Infinitum paid the Company the following:

a) $50,000 on signing (received);
b) $43,333 in property taxes on or before 10 business days after signing (received); and
c) $25,000 on or before August 26, 2021 (received).

6. Exploration and Evaluation Assets (continued):

b) Adelita Property, Sonora State, Mexico (continued):

Option Agreement with Infinitum Copper Corp. (continued)

In addition, on the first day of listed trading on the TSX Venture Exchange or Canadian Securities Exchange ("Listing Date"), Infinitum must issue 16% of the total issued and outstanding common shares of Infinitum calculated post issuance to the Company (received 6,105,438 shares valued at $2,442,175 during the year ended April 30, 2022). Infinitum must incur at least $3,000,000 of expenditures on the Adelita property on or before five years from the Listing Date (completed by September 30, 2023).

After completing the option to earn 80%, the Company and Infinitum will enter into a joint venture agreement. The Company's 20% retained interest will be carried until Infinitum carries out a total of $4,750,000 in expenditures along with completing both a mineral resource calculation in accordance with National Instrument 43-101 Standards of Disclosure for Mineral Projects and a Preliminary Economic Assessment.

Pursuant to the option agreement, Infinitum had 12 months from signing the definitive agreement to complete a listing, with a $100,000 option to extend if the deadline was exceeded. During the year ended April 30, 2022, Infinitum exceeded the 12-month deadline to complete a listing, and the Company received $100,000 to extend the option.

During the year ended April 30, 2022, the Company recognized a gain of $2,000,253 in respect of payments received in excess of the Company's carrying value of the Adelita property.

c) Vuelcos del Destino Property, Guerrero State, Mexico:

On April 3, 2010, the Company acquired an option, subsequently amended, to acquire a 100% interest in a mineral property known as the Vuelcos del Destino property, located in Mexico. In November 2010, the president of the Mexican company that is the optionor of the underlying agreement became a director of the Company. The property is subject to a NSR of 3%, of which the Company may purchase up to 2% for US$2,000,000 per percentage point. In consideration, the Company paid $1 to acquire the option.

To maintain the option on the property, the Company must pay an aggregate of US$355,000 in cash (paid) and issue an aggregate of 3,650,000 common shares (issued at an aggregate value of $1,004,500) and complete US$2,000,000 in exploration expenditures by April 23, 2022 ($1,565,723 incurred as at January 31, 2024).

On March 30, 2020, the option agreement was amended to extend the date of required expenditures from April 23, 2020 to April 23, 2022, unless the necessary permits required for drilling on the property are not obtained by April 23, 2021, in which case the time to complete the remaining option payments and expenditures will be extended by the corresponding additional amount of time required to obtain the necessary permits. As at January 31, 2024, the permits have not been obtained.

Upon commencement of commercial production, the Company must also issue an additional 2,000,000 common shares to a maximum aggregate value of US$5,000,000.

6. Exploration and Evaluation Assets (continued):

d) Santa Marta Project, Oaxaca State, Mexico:

On October 7, 2010, the Company acquired an option, subsequently amended, from Minera Zalamera S.A. de C.V. ("Minera Zalamera"), to acquire a 100% interest in a mineral property known as the Santa Marta property, located in Mexico. The property is subject to an NSR of 3%. In consideration, the Company may purchase up to 2% of the NSR for US$1,000,000 per 0.5%, payable at the Company's election in either cash or the equivalent of 0.9999 fine physical gold measured in troy ounces, priced at the New York gold closing price on the date of delivery.

To maintain the option on the property, the Company must pay an aggregate of US$175,000 in cash (paid US$115,000) and issue an aggregate of 1,875,000 common shares (issued at an aggregate value of $370,500) on or before October 28, 2016, and complete US$2,500,000 in exploration expenditures by October 28, 2017 ($3,173,235 incurred as at January 31, 2024).

In fiscal 2014, the option agreement was amended to state that the remaining option payments and expenditures would be deferred if the necessary permits required for drilling on the property were not obtained by May 31, 2014, in which case the time to complete the remaining option payments and expenditures will be extended by the corresponding additional amount of time required to obtain the necessary permits. As at January 31, 2024, the permits have not been obtained.

Upon commencement of commercial production, the Company will issue additional shares equal in value to $5,000,000 to a maximum of 1,000,000 common shares, whichever is less.

e) Alamos (Quintera) Project, Sonora State, Mexico:

On September 1, 2016, the Company entered into an option agreement to earn a 100% interest in the Alamos (Quintera) silver project in Sonora, Mexico. To maintain the option on the property, the Company paid an aggregate of $500,000 in cash, issued an aggregate of 6,443,628 common shares at a value of $2,240,000, and incurred the minimum property expenditures ($3,000,000) on or before September 1, 2022 as required under the option agreement. The Company fulfilled all remaining obligations pursuant to the option agreement during the year ended April 30, 2023 and as such, has now vested 100% ownership in the Alamos (Quintera) property.

The property vendor retains a 2% NSR, 0.5% of which can be purchased for $1,000,000. The Company must also complete a $2,000,000 payment to the property vendor within 30 days of the commencement of commercial production.

From fiscal 2019 to fiscal 2022, the Company also paid an aggregate of $697,276 to acquire additional property concessions in the Alamos district.

6. Exploration and Evaluation Assets (continued):

f) Taviche Project, Oaxaca State, Mexico:

On January 25, 2019, the Company entered into a purchase and sale agreement with Gold79 Mines Ltd. (formerly Aura Resources Inc) and its wholly owned subsidiary, Aura Resources Mexico, S.A. de C.V. (collectively, "Gold79") to purchase an 80% interest in Gold79's Taviche project located in Oaxaca State in Mexico (the "Aura Purchase Agreement"). In consideration, the Company issued 100,000 common shares (valued at $40,000) upon closing of the transaction and will issue an additional 100,000 common shares upon community approval of a drill program. Gold79 also granted to the Company an exclusive option to acquire the remaining 20% of the Taviche project for a total purchase price of $1,000,000. During the year ended April 30, 2023, the Company exercised its option to acquire the remaining 20% of the Taviche project from Gold79 for a total purchase price of $1,000,000 (paid). Concurrently, the Company entered into a settlement agreement with Gold79 pursuant to which Gold79 will pay $800,000 (received) to the Company for a full and final release regarding any claims associated with the Taviche project. The Taviche project is subject to an aggregate 2.5% NSR.

Option Agreement with Fortuna Silver Mines Inc.

On December 31, 2020, and amended December 21, 2021 and December 7, 2022, the Company granted to Compania Minera Cuzcatlan, S.A. de C.V. ("CMC"), a wholly owned subsidiary of Fortuna Silver Mines Inc. ("Fortuna"), an exclusive option to earn up to an 80% interest in the Taviche project. CMC could initially earn a 60% interest ("Initial Interest") by making cash payments to the Company and incurring expenditures as follows:

i) US$75,000 cash payment on the effective date (received);
ii) US$100,000 cash payment on or before December 9, 2022 (received);
iii) US$125,000 cash payment on or before the date (the "Third Payment Date") that is the earlier of:
    a) The date on which Fortuna has obtained all surface rights, permits, licenses and approvals to commence exploration drilling on the Taviche project; and
    b) December 31, 2025;
iv) US$150,000 to Minaurum on or before the first anniversary of the Third Payment Date; and
v) incur a total of US$4,000,000 in expenditures on the Taviche project by the date that is the first anniversary of the Third Payment Date.

Upon earning the Initial Interest, Fortuna could then earn an additional 20% interest for a total 80% interest in the Taviche project by paying the Company US$1,000,000. Upon CMC acquiring the Initial Interest, the parties would form a joint venture, pursuant to which the Company would retain a 20% interest which would be carried until a positive construction decision was made under the terms of the agreement.

During the period ended January 31, 2024, the Fortuna option agreement was terminated.

(Unaudited – expressed in Canadian dollars)

6. Exploration and Evaluation Assets (continued):

g) Biricu Project, Guerrero State, Mexico:

On January 13, 2021, the Company renegotiated the terms of the underlying royalty on the Biricu Project. The Biricu Project is subject to a 2% NSR. The Company has been granted an option to repurchase one-half of the NSR which would result in the NSR being reduced to 1% of net smelter returns (“NSR Repurchase Option”). The NSR Repurchase Option may be exercised by cash payment as follows:

i) $500,000 if the NSR Repurchase Option is exercised on or before December 31, 2023;
ii) $750,000 if the NSR Repurchase Option is exercised after December 31, 2023 and on or before December 31, 2024; and
iii) $1,000,000 if the NSR Repurchase Option is exercised after December 31, 2024 and on or before December 31, 2025.

h) Aurífero Project, Sonora State, Mexico:

On January 17, 2020, the Company entered into an option agreement, subsequently amended, to acquire a 100% interest in the Aurífero gold project in Sonora, Mexico. To maintain the option on the property, the Company must complete cash payments over a five-year period as follows:

Milestone	Cash (USD)		
Signing	$	84,120	(paid)
July 17, 2020	$	35,000	(paid)
January 17, 2021	$	25,000	(paid)
July 17, 2021	$	25,000	(paid)
January 17, 2022	$	25,000	(paid)
July 17, 2022	$	25,000	(paid)
January 17, 2023	$	25,000	(paid)
July 17, 2023	$	25,000	(paid)
January 17, 2024	$	25,000	(paid)
July 17, 2024	$	25,000	
January 17, 2025	$	2,370,000	
Totals	**$**	**2,689,120**	

During the nine months ended January 31, 2024, the Company also paid or accrued $30,494 (2023 – $26,876) to acquire additional property concessions adjacent to the original Aurífero property.

Certain claims in the Aurífero property are subject to a 1% NSR.

h) United States:

During the nine months ended January 31, 2024, the Company paid $nil (year ended April 30, 2023 - $114,679 to stake certain claims in the United States.

(Unaudited – expressed in Canadian dollars)

7. Related Party Transactions:

As at January 31, 2024, $51,416 (April 30, 2023 - $44,031) (included in accounts payable and accrued liabilities) is due to directors, officers, and companies with a director in common. Amounts due to related parties are non-interest bearing, with no fixed terms of repayments.

The remuneration of key management personnel, which includes directors and officers of the Company, including amounts disclosed above, during the nine months ended January 31, 2024 and 2023 were as follows:

	January 31, 2024	January 31, 2023
Consulting fees	$ 207,000	$ 221,003
Exploration costs (geological consulting)	98,465	96,750
Directors' fees	60,000	60,000
Share-based payments	392,530	1,323,781
Total	$ 757,995	$ 1,701,534

8. Share Capital:

a) Authorized share capital:

Unlimited common shares without par value.

b) Issued and outstanding common shares:

Issued in the nine months ended January 31, 2024

On November 3, 2023, the Company closed a non-brokered private placement, issuing a total of 7,275,000 units at a price of $0.11 per unit for gross proceeds of $800,250. Each unit comprises one common share of the Company and one-half of one common share purchase warrant, each warrant exercisable at a price of $0.18 per share for 3 years.

Issued in the year ended April 30, 2023

On August 22, 2022, the Company issued 443,628 common shares, valued at $86,507, pursuant to the Alamos (Quintera) option agreement (Note 6(e)).

c) Stock options:

The Company has approved a stock option plan (the "Plan"), whereby the number of shares issuable under the Plan is limited to 10% of the issued and outstanding shares of the Company. The exercise price of each option shall not be less than the discounted market price of the Company's shares as calculated on the date of grant. An option's maximum term is ten years and shall vest as determined by the Board of Directors. Options granted to investor relations consultants shall vest in stages over 12 months with no more than one-quarter of options vesting in any three-month period.

(Unaudited – expressed in Canadian dollars)

8. Share Capital (continued):

c) Stock options (continued):

Stock option transactions are as follows:

	Number of stock options	Weighted average exercise price
Balance, April 30, 2022	15,150,000	$ 0.44
Cancelled / Expired	(800,000)	0.49
Balance outstanding, April 30, 2023	14,350,000	0.44
Granted	1,750,000	0.15
Balance outstanding, January 31, 2024	16,100,000	0.41
Balance exercisable, January 31, 2024	14,350,000	0.44

As at January 31, 2024, the Company has stock options outstanding and exercisable as follows:

Number of stock options outstanding	Number of stock options exercisable	Exercise price	Expiry Date
2,550,000	2,550,000	$ 0.45	April 15, 2029
275,000	275,000	0.45	April 15, 2024
200,000	200,000	0.45	June 18, 2029
300,000	300,000	0.52	March 23, 2026
3,200,000	3,200,000	0.52	March 23, 2031
125,000	125,000	0.45	October 15, 2026
7,700,000	7,700,000	0.40	April 13, 2032
1,750,000	-	0.15	April 13, 2032
16,100,000	14,350,000	$ 0.41	

The weighted average fair value per option granted during the nine months ended January 31, 2024 was $0.32 (2023 - $nil). During the nine months ended January 31, 2024, the Company recognized $485,746 (2023 - $1,634,219) in share-based payments for the fair value of the vesting portion of the stock options that were granted in the current and prior periods. The weighted average assumptions used in the calculation of fair value are as follows:

	January 31, 2024	January 31, 2023
Risk-free interest rate	3.89%	N/A
Expected volatility	92.86%	N/A
Expected life of options	4.98 years	N/A
Expected dividend yield	Nil	N/A
Forfeiture rate	Nil	N/A

(Unaudited – expressed in Canadian dollars)

8. Share Capital (continued):

d) Warrants:

Warrant transactions are as follows:

	Number of warrants	Weighted average exercise price
Balance, April 30, 2022	25,429,750	$ 0.58
Expired	(12,594,750)	0.58
Balance, April 30, 2023	12,835,000	$ 0.58
Issued	3,637,500	0.18
Expired	(12,835,000)	0.58
Balance, January 31, 2024	3,637,500	$ 0.18

As at January 31, 2024, the Company has outstanding as follows:

Number of warrants	Exercise price	Expiry Date
3,637,500	$ 0.18	November 3, 2026

9. Segmented Information:

The Company operates in one segment being the acquisition and exploration of exploration and evaluation assets. The Company operates in Mexico and the United States. Geographic information is described in Note 6.

10. Financial Instruments and Risk Management:

Financial instruments

The Company measures financial instruments using a fair value hierarchy that prioritizes the inputs to the valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are described below:

- Level 1: Unadjusted quoted prices in active markets that are accessible at the measurement date for identical, unrestricted assets or liabilities.
- Level 2: Quoted prices in markets that are not active, or inputs that are observable, either directly or indirectly, for substantially the full term of the asset or liability.
- Level 3: Prices or valuation techniques that require inputs that are both significant to the fair value measurement and unobservable (supported by little or no market activity).

The carrying values of cash, receivables, and accounts payable and accrued liabilities approximate their fair values because of the short-term nature of these instruments. Marketable securities are measured at level 1 inputs of the fair value hierarchy.

10. Financial Instruments and Risk Management (continued):

Financial risk factors

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

a) Credit risk:

Credit risk is the risk of loss associated with a counter party's inability to fulfill its payment obligations. The Company's receivables consist primarily of amounts due from a Canadian government agency and cash is held with large and stable financial institutions.

b) Liquidity risk:

The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet its liabilities when they come due. As of January 31, 2024, the Company had cash of $526,144 and current liabilities of $208,620.

c) Market risk:

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

(i) Interest rate risk:

The Company has cash balances and no interest-bearing debt. The Company's current policy is to invest excess cash in investment-grade short-term demand deposit certificates issued by its banking institutions. The Company periodically monitors the investments it makes and is satisfied with the credit ratings of its banks.

(ii) Foreign currency risk:

The Company is exposed to foreign currency risk on fluctuations related to cash, accounts receivable, and accounts payable and accrued liabilities that are denominated in United States Dollars and Mexican Pesos.

The exposure of the Company's cash to foreign exchange risk is as follows:

	January 31, 2024			April 30, 2023		
	Foreign currency amount		Amount in CAD dollars	Foreign currency amount		Amount in CAD dollars
United States dollars:						
Cash	230,018	$	308,509	111,318	$	150,766
Mexican pesos:						
Cash	184,635	$	14,426	309,326	$	23,266
Accounts receivable	-	$	-	815,224	$	61,318
Total financial assets		$	322,935		$	235,350

10. Financial Instruments and Risk Management (continued):

Financial risk factors

c) Market risk (continued):

(ii) Foreign currency risk (continued):

The exposure of the Company's accounts payable to foreign exchange risk is as follows:

	January 31, 2024			April 30, 2023		
	Foreign currency amount		Amount in CAD dollars	Foreign currency amount		Amount in CAD dollars
United States dollars:						
Accounts payable	27,427	$	36,786	45,363	$	61,438
Mexican pesos:						
Accounts payable and accrued liabilities	394,281	$	30,806	131,547	$	9,895
Total financial liabilities		$	67,592		$	71,333

As at January 31, 2024, the Company had net monetary assets denominated in United States dollars totaling approximately US$209,646. The Company has determined that a 10% increase or decrease in the US dollar against the Canadian dollar on these instruments, as at January 31, 2024, would result in approximately $27,200 change to comprehensive loss for the period.

(iii) Price risk:

The Company is exposed to price risk with respect to commodity and equity prices. Equity price risk is defined as the potential adverse impact on the Company's earnings due to movements in individual equity prices or general movements in the level of the stock market. Commodity price risk is defined as the potential adverse impact on earnings and economic value due to commodity price movements and volatilities. The Company closely monitors commodity prices of gold and other precious and base metals, individual equity movements, and the stock market to determine the appropriate course of action to be taken by the Company.