
**GOLDEN TAG RESOURCES LTD.
CONDENSED INTERIM CONSOLIDATED
FINANCIAL STATEMENTS
THREE AND SIX MONTHS ENDED
JUNE 30, 2023
(EXPRESSED IN CANADIAN DOLLARS)
(UNAUDITED)**

Notice To Reader

The accompanying unaudited condensed interim consolidated financial statements of Golden Tag Resources Ltd. (the "Company") have been prepared by and are the responsibility of management. The unaudited condensed interim consolidated financial statements have not been reviewed by the Company's auditors.

Golden Tag Resources Ltd.

Condensed Interim Consolidated Statements of Financial Position (Expressed in Canadian Dollars) (Unaudited)

	As at June 30, 2023	As at December 31, 2022
ASSETS		
Current assets		
Cash and cash equivalents	\$ 7,925,286	\$ 6,605,991
Marketable securities (note 4)	38,500	49,000
Sales taxes receivable (note 5)	182,212	112,674
Prepaid expenses	802,907	326,568
Total assets	\$ 8,948,905	\$ 7,094,233
EQUITY AND LIABILITIES		
Current liabilities		
Trade payables	\$ 422,732	\$ 441,481
Total liabilities	422,732	441,481
Equity		
Share capital (note 7)	28,821,512	28,821,512
Subscription receipts (note 13)	3,416,129	-
Options reserves (note 8)	2,983,559	2,983,559
Warrant reserves (note 7)	762,151	762,151
Accumulated other comprehensive income	364,379	301,877
Deficit	(27,821,557)	(26,216,347)
Total equity	8,526,173	6,652,752
Total equity and liabilities	\$ 8,948,905	\$ 7,094,233

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

Contingencies and commitments (note 12)
Subsequent events (note 13)

Golden Tag Resources Ltd.

Condensed Interim Consolidated Statements of Loss and Comprehensive Loss
(Expressed in Canadian Dollars)
(Unaudited)

	Three Months Ended June 30, 2023	Three Months Ended June 30, 2022	Six Months Ended June 30, 2023	Six Months Ended June 30, 2022
Operating expenses				
Administrative costs	\$ 15,318	\$ 7,807	\$ 33,105	\$ 33,502
Foreign exchange	66,953	(68,532)	87,071	(18,549)
Listing, filing and transfer agency fees (note 11)	29,153	28,903	53,049	50,957
Management, consulting fees and directors' fees (note 11)	437,385	186,487	574,770	351,295
Mineral property expenses	63,041	122,551	100,939	1,078,892
Professional fees (note 11)	196,744	39,494	368,990	198,083
Promotion costs	184,864	55,137	298,899	105,052
Rent	11,218	44,450	40,044	78,965
Salaries	72,341	73,963	102,001	149,340
Shareholder information	11,256	3,925	46,960	13,640
Total operating expenses	1,088,273	494,185	1,705,828	2,041,177
Finance income	(56,041)	(8,878)	(111,118)	(11,443)
Unrealized loss on change in fair value of marketable securities (note 4)	17,500	17,500	10,500	7,000
Net loss for the period	\$ (1,049,732)	\$ (502,807)	\$ (1,605,210)	\$ (2,036,734)
Other comprehensive income (loss)				
Items that will be reclassified subsequently to loss				
Exchange differences on translating foreign operations	\$ 60,558	\$ (63,812)	\$ 62,502	\$ (33,936)
Other comprehensive income for the period	60,558	(63,812)	62,502	(33,936)
Total comprehensive loss for the period	\$ (989,174)	\$ (566,619)	\$ (1,542,708)	\$ (2,070,670)
Basic and diluted net loss per share (note 9)	\$ (0.00)	\$ (0.00)	\$ (0.01)	\$ (0.01)
Weighted average number of common shares outstanding - basic and diluted	216,324,566	210,245,712	216,824,566	205,260,353

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

Golden Tag Resources Ltd.

Condensed Interim Consolidated Statements of Cash Flows
(Expressed in Canadian Dollars)
(Unaudited)

	Six Months Ended June 30, 2023	Six Months Ended June 30, 2022
Operating activities		
Net loss for the period	\$ (1,605,210)	\$ (2,036,734)
Non-cash items:		
Changes in working capital items (note 10)	(564,626)	(726,596)
Unrealized loss on change in fair value of marketable securities (note 4)	10,500	7,000
Foreign exchange	54,986	(29,103)
Net cash used in operating activities	(2,104,350)	(2,785,433)
Financing activities		
Proceeds from subscription receipts	3,416,129	-
Proceeds from private placements (note 7)	-	3,250,000
Share issue costs	-	(70,409)
Proceeds from warrants exercised	-	674,956
Net cash provided by financing activities	3,416,129	3,854,547
Net change in cash and cash equivalents	1,311,779	1,069,114
Effect of exchange rate	7,516	(4,833)
Cash and cash equivalents, beginning of period	6,605,991	6,317,563
Cash and cash equivalents, end of period	\$ 7,925,286	\$ 7,381,844
Cash	\$ 5,064,998	\$ 3,915,696
Cash equivalents	2,860,288	3,466,148
Cash and cash equivalents	\$ 7,925,286	\$ 7,381,844

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

Golden Tag Resources Ltd.

Condensed Interim Consolidated Statements of Changes in Equity

(Expressed in Canadian Dollars)

(Unaudited)

	Number of shares	Share capital	Subscription receipts	Options reserves	Warrants reserves	Accumulated other comprehensive income	Deficit	Total
Balance, December 31, 2021	194,325,157	\$ 25,431,648	\$ -	\$ 3,017,631	\$ 2,318,071	\$ 432,767	\$ (25,409,196)	\$ 5,790,921
Private placement (note 7(a))	13,000,000	3,250,000	-	-	-	-	-	3,250,000
Warrants (note 7(a))	-	(762,151)	-	-	762,151	-	-	-
Share issue costs (note 7(a))	-	(70,409)	-	-	-	-	-	(70,409)
Warrants exercised	8,999,409	937,738	-	-	(262,782)	-	-	674,956
Net loss and comprehensive loss for the period	-	-	-	-	-	(33,936)	(2,036,734)	(2,070,670)
Balance, June 30, 2022	216,324,566	\$ 28,786,826	\$ -	\$ 3,017,631	\$ 2,817,440	\$ 398,831	\$ (27,445,930)	\$ 7,574,798
Balance, December 31, 2022	216,824,566	\$ 28,821,512	\$ -	\$ 2,983,559	\$ 762,151	\$ 301,877	\$ (26,216,347)	\$ 6,652,752
Issue of subscription receipts (note 13)	-	-	3,416,129	-	-	-	-	3,416,129
Net loss and comprehensive loss for the period	-	-	-	-	-	62,502	(1,605,210)	(1,542,708)
Balance, June 30, 2023	216,824,566	\$ 28,821,512	\$ 3,416,129	\$ 2,983,559	\$ 762,151	\$ 364,379	\$ (27,821,557)	\$ 8,526,173

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

Golden Tag Resources Ltd.

Notes to Condensed Interim Consolidated Financial Statements

Three and Six Months Ended June 30, 2023

(Expressed in Canadian Dollars)

(Unaudited)

1. Nature of operation

Golden Tag Resources Ltd. (the "Company" or "Golden Tag") is incorporated under the Canada Business Corporations Act and is in the process of exploring its mineral properties and has not yet determined whether those properties contain ore reserves that are economically recoverable. The address of the Company's registered office and its principal place of business are 22 Adelaide Street West, Suite 2020, Bay Adelaide Centre, Toronto, Ontario, Canada.

On November 5, 2020, the Company announced that after successfully completing the application process, the Company was approved for quotation on the OTCQB operated by the OTC Market Groups. The Company's common shares started trading on the OTCQB November 5, 2020 at the opening of the market under the stock symbol "GTAGF" and remains listed on the TSX Venture Exchange ("TSXV") under the ticker symbol "GOG".

On May 9, 2023, the Company announced the listing of the Company's common share on the Frankfurt Stock Exchange under the trading symbol "GTD".

These unaudited condensed interim consolidated financial statements comprise the financial statements of Golden Tag Resources Ltd. and its wholly-owned subsidiary, Golden Tag Mexico SA de CV, incorporated in Mexico.

These unaudited condensed interim consolidated financial statements have been prepared on the basis of the going concern assumption, meaning the Company will be able to realize its assets and discharge its liabilities in the normal course of operations. The Company has not yet determined whether its mineral properties contain mineral deposits that are economically recoverable, and the Company has not yet generated income or cash flows from its operations.

2. Basis of presentation

Statement of compliance

These unaudited condensed interim consolidated financial statements have been prepared in compliance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") under international Accounting Standard 34 – Interim Financial Reporting. These unaudited condensed interim consolidated financial statements do not include all the notes required in annual financial statements and accordingly, should be read in conjunction with the annual consolidated financial statements for the year ended December 31, 2022.

Approval of financial statements

The Company's Board of Directors approved these unaudited condensed interim consolidated financial statements on August 18, 2023.

Golden Tag Resources Ltd.

Notes to Condensed Interim Consolidated Financial Statements

Three and Six Months Ended June 30, 2023

(Expressed in Canadian Dollars)

(Unaudited)

2. Basis of presentation (continued)

Basis of measurement

These unaudited condensed interim consolidated financial statements have been prepared on the historical cost basis, unless otherwise stated.

Functional and presentation currency

These unaudited condensed interim consolidated financial statements are presented in Canadian dollars, unless otherwise stated, which is the Company's functional currency. The functional currency of the Company's Mexican subsidiary is the US dollar. The Company has adopted the Canadian dollar as its presentation currency.

3. Summary of significant accounting policies

These unaudited condensed interim consolidated financial statements were prepared using the same accounting policies, methods of computation and basis of presentation as outlined in note 3 – Summary of Significant Accounting Policies, as described in the Company's annual audited consolidated financial statements for the year ended December 31, 2022.

4. Marketable securities

	2023	2022
Balance as at January 1,	\$ 49,000	\$ 49,000
Unrealized loss on change in fair value of marketable securities	(10,500)	-
Balance as at June 30, 2023 and December 31, 2022	\$ 38,500	\$ 49,000

Marketable securities include the following components at fair value:

	June 30, 2023	December 31, 2022
Sirios Resources Inc. - 700,000 shares (700,000 shares 2022)	\$ 38,500	\$ 49,000

5. Sales taxes receivable

	June 30, 2023	December 31, 2022
Aging analysis		
Current	\$ 8,308	\$ 4,609
30-90 days	98,306	32,236
Over 90 days	75,598	75,829
Total	\$ 182,212	\$ 112,674

6. Mineral properties

Mexico San Diego Property

The Company holds a 100% interest in the San Diego Property, Durango State, Mexico. Golden Minerals Company has a 2% net smelter return royalty on the property. This is the only mining property that the Company holds the rights to explore as at June 30, 2023 and December 31, 2022.

Golden Tag Resources Ltd.

Notes to Condensed Interim Consolidated Financial Statements

Three and Six Months Ended June 30, 2023

(Expressed in Canadian Dollars)

(Unaudited)

7. Equity

(a) Share capital

Authorized share capital: An unlimited number of the following classes of shares:

- Common shares, voting, without par 216,824,566.
- Preferred shares, non-voting, redeemable for the amount paid thereon, all rights and privileges to be determined by the Board of Directors.

Issued during 2022

(i) On February 8, 2022, the Company closed the first tranche of a non-brokered private placement. Under the first tranche, the Company issued 7,166,670 units at a price of \$0.25 per unit for aggregate gross proceeds of \$1,791,668. Each unit consists of one common share and one-half of one common share purchase warrant. Each whole warrant issued pursuant to the first tranche entitles the holder thereof to acquire one common share at a price of \$0.40 until February 8, 2024. The warrants contain an acceleration provision whereby if the closing price of the common shares on the TSXV is \$0.70 or more for 10 consecutive trading days the Company will have the right to accelerate the expiry date of the warrants (the "Acceleration Provision"). The fair value of the 3,583,335 warrants was estimated at \$0.117 using the Black-Scholes option valuation model with the following assumptions: an expected volatility of 110%, a risk-free interest rate of 1.35%, an expected unit life of 2 years, no expected dividend yield and a price at date of grant of \$0.25.

In connection with the first tranche, the Company paid aggregate cash finder's fees of \$39,800 and issued 140,000 finder's warrants. Each finder's warrant entitles the holder to purchase one common share at a price of \$0.25 for a period of 24 months following closing of the first tranche, subject to Acceleration Provision. The fair value of the 140,000 broker warrants was estimated at \$0.143 using the Black-Scholes option valuation model with the following assumptions: an expected volatility of 110%, a risk-free interest rate of 1.35%, an expected unit life of 2 years, no expected dividend yield and a price at date of grant of \$0.25.

(ii) On February 28, 2022, the Company completed the second and final tranche of the non-brokered private placement. In connection with the second tranche, the Company issued an aggregate of 5,833,330 units at a price of \$0.25 per unit for aggregate gross proceeds of \$1,458,332. Each unit consists of one common share and one-half of one common share purchase warrant. Each whole warrant issued pursuant to the first tranche entitles the holder thereof to acquire one common share at a price of \$0.40 until February 28, 2024. The warrants are subject to the Acceleration Provision. The fair value of the 2,916,665 warrants was estimated at \$0.110 using the Black-Scholes option valuation model with the following assumptions: an expected volatility of 105%, a risk-free interest rate of 1.45%, an expected unit life of 2 years, no expected dividend yield and a price at date of grant of \$0.25.

In connection with the second tranche, the Company paid aggregate cash finder's fees of \$7,000 and issued 28,000 finder's warrants. Each finder's warrant entitles the holder to purchase one common share at a price of \$0.25 for a period of 24 months following closing of the second tranche, subject to Acceleration Provision. The fair value of the 28,000 broker warrants was estimated at \$0.137 using the Black-Scholes option valuation model with the following assumptions: an expected volatility of 105%, a risk-free interest rate of 1.45%, an expected unit life of 2 years, no expected dividend yield and a price at date of grant of \$0.25.

Golden Tag Resources Ltd.

Notes to Condensed Interim Consolidated Financial Statements

Three and Six Months Ended June 30, 2023

(Expressed in Canadian Dollars)

(Unaudited)

7. Equity (continued)

(b) Share purchase warrants

Outstanding warrants entitle their holders to subscribe to an equivalent number of common shares is as follows:

	2023		2022	
	#	Weighted average exercise price \$	#	Weighted average exercise price \$
Balance as at January 1,	6,668,000	0.40	22,501,536	0.27
Issued (note 7(a)(b))	-	-	6,696,003	0.39
Issued broker warrants (note 7(a))	-	-	168,000	0.25
Exercised warrants	-	-	(8,999,409)	0.07
Expired warrants	-	-	(13,698,130)	0.39
Balance as at June 30, 2023 and December 31, 2022	6,668,000	0.40	6,668,000	0.40

2022

During the three months ended June 30, 2022, 392,005 broker warrants were exercised for \$0.056 per broker unit. Each broker warrant entitled the holder to one common share and one-half warrant at a price of \$0.075. The fair value of the 196,003 additional warrants issued was estimated at \$0.0001 using the Black-Scholes option valuation model with the following assumptions: an expected volatility of 101%, a risk free interest rate of 2.50%, an expected unit life of 0.02 year, no expected dividend yield and an expected unit value at date of grant of \$0.06.

At June 30, 2023, the following exercisable warrants were outstanding:

Number of warrants	Price (\$)	Expiry date
3,583,335	0.40	08-Feb-24
140,000	0.25	08-Feb-24
2,916,665	0.40	28-Feb-24
28,000	0.25	28-Feb-24
6,668,000	0.40	

Golden Tag Resources Ltd.

Notes to Condensed Interim Consolidated Financial Statements

Three and Six Months Ended June 30, 2023

(Expressed in Canadian Dollars)

(Unaudited)

8. Stock options

Outstanding options entitle their holders to subscribe to an equivalent number of common shares is as follows:

	2023		2022	
	#	Weighted average exercise price \$	#	Weighted average exercise price \$
Balance as at January 1	12,600,000	0.28	13,600,000	0.26
Expired	-	-	(500,000)	0.05
Exercised	-	-	(500,000)	0.05
Balance as at June 30, 2023 and December 31, 2022	12,600,000	0.28	12,600,000	0.28

As at June 30, 2023, 12,600,000 (December 31, 2022 - 12,600,000) options are exercisable.

9. Loss per share

The calculation of basic loss per share is based on the loss for the period divided by the weighted average number of shares in circulation during the period. In calculating the diluted loss per share, potential ordinary shares such as share options and warrants have not been included as their exercise prices were higher than the Company's share price as at June 30, 2023 and June 30, 2022. Details of share options and warrants issued that could potentially dilute loss per share in the future are given in note 7 and note 8.

Both the basic and diluted loss per share have been calculated using the loss as the numerator, i.e. no adjustment to the loss were necessary for the three and six months ended June 30, 2023 and June 30, 2022 respectively.

	Three Months Ended June 30, 2023	Three Months Ended June 30, 2022	Six Months Ended June 30, 2023	Six Months Ended June 30, 2022
Loss for the period	\$ (1,049,732)	\$ (502,807)	\$ (1,605,210)	\$ (2,036,734)
Weighted average number of shares in circulation	216,324,566	210,245,712	216,824,566	205,260,353
Basic and diluted loss per share	\$ (0.00)	\$ (0.00)	\$ (0.01)	\$ (0.01)

Golden Tag Resources Ltd.

Notes to Condensed Interim Consolidated Financial Statements

Three and Six Months Ended June 30, 2023

(Expressed in Canadian Dollars)

(Unaudited)

10. Additional cash flow information

The changes in working capital items are as follows:

	Six Months Ended June 30, 2023	Six Months Ended June 30, 2022
Sales taxes receivable	\$ (69,538)	\$ (32,599)
Prepaid expenses	(476,339)	(52,545)
Trade payables	(18,749)	(641,452)
	\$ (564,626)	\$ (726,596)

11. Related party transactions

The Company's related parties include private companies controlled by directors and joint key management, as described below. Unless otherwise stated, none of the transactions incorporated special terms and conditions and no guarantees were given or received. Outstanding balances are usually settled in cash.

Transactions with key management personnel

Key management personnel of the Company are members of the Board of Directors as well as members of key management personnel.

Remuneration includes the following expenses:

	Three Months ended June 30, 2023	Three Months ended June 30, 2022	Six months ended June 30, 2023	Six months ended June 30, 2022
Management and administration fees paid to private companies controlled by directors and officers	\$ 437,385	\$ 137,385	\$ 574,770	\$ 281,197
Professional fees paid to private companies controlled by directors and officers	26,268	32,990	34,030	69,367
Listing, filing and transfer agency fees paid to private companies controlled by officers	5,079	1,587	5,774	2,545
	\$ 468,732	\$ 171,962	\$ 614,574	\$ 353,109

Included in trade payables are amounts due to companies owned and controlled by key management personnel of \$45,513 and to directors of \$65,000 (December 31, 2022 - \$85,305 and \$65,000).

Of the 13,000,000 units issued during 2022 as part of the private placement (note 7(a)(i)(ii)), Eric Sprott, through 2176423 Ontario Ltd., a corporation beneficially controlled by him, subscribed for 4,000,000 units.

As at June 30, 2023, certain of the subscription receipts were held by Marrelli Trust Company Limited, a company beneficially controlled by Carmelo Marrelli, the Chief Financial Officer of the Company. The balances held in trust as at June 30, 2023, amounted to \$2,860,284 and US\$76,256, respectively.

Golden Tag Resources Ltd.

Notes to Condensed Interim Consolidated Financial Statements

Three and Six Months Ended June 30, 2023

(Expressed in Canadian Dollars)

(Unaudited)

12. Contingencies and commitments

The Company's operations are subject to governmental laws and regulations regarding environmental protection. Environments' consequences, their impact and their duration are difficult to determine. To the best of its knowledge, management believes that the Company's operations are in compliance with all applicable laws and regulations. Provisions for estimated costs are recorded when environmental remedial efforts are likely and costs can be reasonably estimated.

13. Subsequent events

Definitive asset purchase agreement

On December 7, 2022, the Company entered into a definitive asset purchase agreement with First Majestic Silver Corp. ("FMS") to acquire a 100% interest in La Parrilla Silver Mine Complex ("La Parrilla") in the locality of San Jose de la Parrilla, Durango, Mexico (the "Transaction").

Transaction Summary

The Company will acquire 100% of the assets of La Parrilla from FMS. In consideration, Golden Tag will pay to FMS the following:

- 143,673,684 common shares of Golden Tag ("Consideration Shares"), which at December 7, 2022 would equate to approximately US\$20 million at a deemed price of \$0.19 per Golden Tag share;
- Deferred payments totaling US\$13.5 million, comprised of the following:
 - I. US\$2.7 million on the earlier of 18 months post-closing, or upon receipt of certain approvals from the Mexican government;
 - II. US\$5.75 million when either (a) 5 million ounces of Ag.Eq reserves are declared from the La Parrilla claims, or (b) 22 million ounces of Ag.Eq of measured and indicated resources are declared, from the La Parrilla claims;
 - III. US\$5.05 million when a new zone is discovered on the La Parrilla claims inclusive of a NI 43-101 resource of 12.5 million ounces of Ag.Eq;Both II and III are payable in cash or common shares, at the election of Golden Tag. As noted in the Company's News Release dated April 14, 2023, the Company will not issue more than an aggregate of 45,068,581 common shares in satisfaction of the First Deferred Payment.
- FMS may distribute shares held in excess of a 19.9% issued and outstanding Golden Tag holding (on a non-diluted basis) pro-rata to its shareholders ("Excess Shares").
- After closing, FMS will have a participation right to maintain its pro-rata interest in Golden Tag (to a maximum of 19.9%) in any future Golden Tag share issuances, subject to customary exceptions.
- The Consideration Shares held by FMS will be subject to the following contractual resale restrictions, in addition to any securities laws resale restrictions:
 - I. 25% subject to a 6-month resale restriction;
 - II. 25% subject to a 12-month resale restriction;
 - III. 25% subject to a 18-month resale restriction;
 - IV. 25% subject to a 24-month resale restriction.

Golden Tag Resources Ltd.

Notes to Condensed Interim Consolidated Financial Statements

Three and Six Months Ended June 30, 2023

(Expressed in Canadian Dollars)

(Unaudited)

13. Subsequent events

Definitive asset purchase agreement (continued)

Transaction Summary (continued)

- The resale restrictions above will not apply to the Excess Shares and will be subject to customary carve-outs in the event of a takeover bid or merger or acquisition transaction involving the common shares of Golden Tag.
- Shareholders, along with certain directors and officers of Golden Tag holding a total of 54 million shares (representing approximately 25% of the Golden Tag's issued and outstanding shares as at December 7, 2022), have entered into voting and support agreements with Golden Tag pursuant to which they have agreed, among other things, to support the Transaction (which creates a new control person of Golden Tag) and to vote their Golden Tag shares in favour of the Transaction.
- FMS has also entered into a standard and customary voting support agreement with Golden Tag for a period that is the longer of (i) May 24, 2024, or (ii) FMS's ownership percentage of Golden Tag is greater than or equal to 19.9%. For the duration of the Support Agreement, other than in respect of a change of control transaction, First Majestic shall either abstain or vote any Golden Tag Shares owned by First Majestic in favor of any recommendation of the Board of Directors of the Company.

There is no finder's fee payable in connection with the Transaction; FMS and the Company are arm's length parties from each other and the Transaction is an Arm's Length Transaction (as such term is defined under the corporate finance manual of the TSXV).

Amended Agreement

In addition, the Company and FMS have amended the Transaction to reduce the Company's minimum required financing to \$7.2 million from \$9 million. In a further amendment, the Company and FMS agreed to reduce the Company's minimum required financing to \$6.8 million.

Financing for the Acquisition

On March 30, 2023 and April 14, 2023, the Company announced that it closed the first and second tranche respectively of a non-brokered private placement of subscription receipts with aggregate subscription receipts totaling \$6.9 million.

As at June 30, 2023, \$3,416,129 was received by the Company related to the subscription receipts. Subsequent to period end, on August 14, 2023, the Company completed its non-brokered private placement of subscription receipts raising gross proceeds of \$7.1 million.

Mexican Antitrust Approval

On May 25, 2023, the Company received approval from Mexico's antitrust agency, the Comision Federal de Competencia Economica ("COFECE") for the acquisition of the La Parrilla.

Golden Tag Resources Ltd.

Notes to Condensed Interim Consolidated Financial Statements

Three and Six Months Ended June 30, 2023

(Expressed in Canadian Dollars)

(Unaudited)

13. Subsequent events

Definitive asset purchase agreement (continued)

Mexican Senate

The Mexican Senate recently approved reforms to the mining laws, which became effective on May 9, 2023, however the implementing regulations are still outstanding. The Company and FMS are monitoring this development in the context of the Transaction.

Closing

On August 14, 2023, the Company announced that it completed the acquisition of La Parrilla. In approving the Transaction, the Company received written consents from a majority of shareholders approving the creation of FMS as a new Control Person (as such term is defined under the policies of the TSXV).