



REYNA SILVER

REYNA SILVER CORP.
(An Exploration Stage Company)

Condensed Consolidated Interim Financial Statements

**For the three months ended
March 31, 2022**

(Unaudited)

PO Box 49130
2900 – 595 Burrard Street
Vancouver, British Columbia, Canada V7X 1J5

Contents

	Page
Notice of No Auditor Review of Interim Financial Statements	3
Condensed Consolidated Interim Statements of Financial Position	4
Condensed Consolidated Interim Statements of Comprehensive Loss	5
Condensed Consolidated Interim Statements of Changes in Shareholders' Equity	6
Condensed Consolidated Interim Statements of Cash Flows	7
Notes To Condensed Consolidated Interim Financial Statements	8-23

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

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 an auditor has not reviewed the financial statements.

The accompanying unaudited interim 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 financial statements in accordance with standards established by the Chartered Professional Accountants of Canada for a review of interim financial statements by an entity's auditor.

REYNA SILVER CORP.
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF FINANCIAL POSITION
(Expressed in Canadian dollars)

	Note	March 31, 2022 (Unaudited)	December 31, 2021 (Audited)
ASSETS			
Current			
Cash and cash equivalents		\$ 5,971,785	\$ 7,701,491
Receivables		5,740	15,353
Prepaid expenses		138,824	123,521
		6,116,349	7,840,365
Non-current			
Exploration and evaluation assets	4	7,757,165	7,361,299
Investment	4(h), 5	100,000	100,000
VAT receivables		1,417,499	1,228,846
		9,274,664	8,690,145
		\$ 15,391,013	\$ 16,530,510
LIABILITIES			
Current			
Trade and other payables		\$ 198,120	\$ 350,241
		198,120	350,241
SHAREHOLDERS' EQUITY			
Common shares	6	27,970,547	27,686,298
Reserves	6	7,066,140	6,709,601
Deficit		(19,843,794)	(18,215,630)
		15,192,893	16,180,269
		\$ 15,391,013	\$ 16,530,510

Nature of Operations and Going Concern (Note 1)

These condensed consolidated interim financial statements are authorized for issue by the Board of Directors on May 27, 2022. They are signed on the Company's behalf by:

“Jorge Ramiro Monroy”

Jorge Ramiro Monroy, Director

“Alex Langer”

Alex Langer, Director

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

REYNA SILVER CORP.
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF COMPREHENSIVE LOSS
(Expressed in Canadian dollars; Unaudited)

	Note	For the three months ended March 31	
		2022	2021
Exploration expenses	4	\$ 1,032,266	\$ 690,435
		<u>1,032,266</u>	<u>690,435</u>
Administrative expenses			
Accounting and audit		31,319	20,552
Bank charges		2,247	1,930
Consulting		35,935	86,514
Legal		11,344	16,977
Management and director fees	8	239,999	120,000
Marketing and shareholders communication		203,351	141,204
Office		32,312	16,294
Share-based compensation	6(d)	1,739	269,514
Transfer agent, listing and filing fees		17,258	28,418
Foreign exchange loss		20,394	87,289
		<u>595,898</u>	<u>788,692</u>
Other items			
Interest income		-	4,859
		<u>1,628,164</u>	<u>1,474,268</u>
Net loss			
Other comprehensive loss			
Cumulative translation adjustment		(26,400)	(955)
		<u>\$ 1,601,764</u>	<u>\$ 1,473,313</u>
Total comprehensive loss for the period			
		<u>\$ 0.02</u>	<u>\$ 0.02</u>
Basic and diluted loss per share			
Weighted average number of common shares outstanding		<u>101,940,308</u>	<u>91,145,514</u>

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

REYNA SILVER CORP.
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
(Expressed in Canadian dollars)

	Note	Common Shares		Reserves					Total	Deficit	Total shareholders' equity
		Number of shares	Amount	Equity-settled employee benefits	Finder's warrants	Warrants	Foreign exchange reserve				
Balance as at December 31, 2020 (Audited)		90,086,537	\$ 19,861,914	\$ 1,279,849	\$ 684,475	\$ 670,500	\$ (17,353)	\$ 2,617,471	\$ (6,357,941)	\$ 16,121,444	
Shares issued:											
Warrants issued for property acquisition	6(e)	-	-	-	-	2,120,700	-	2,120,700	-	2,120,700	
Exercise of options	6(d)	212,500	83,753	(36,628)	-	-	-	(36,628)	-	47,125	
Exercise of finders' warrants	6(f)	57,138	28,146	-	(2,434)	-	-	(2,434)	-	25,712	
Exercise of warrants	6(e)	1,372,743	623,359	-	-	-	-	-	-	623,359	
Share-based payments	6(d)	-	-	269,514	-	-	-	269,514	-	269,514	
Net loss and comprehensive loss		-	-	-	-	-	955	955	(1,474,268)	(1,473,313)	
Balance as at March 31, 2021 (Unaudited)		91,728,918	20,597,172	1,512,735	682,041	2,791,200	(16,398)	4,969,578	(7,832,209)	17,734,541	
Shares issued:											
Private placements	6(b)	7,298,134	6,057,451	-	-	-	-	-	-	6,057,451	
Share issue costs	6(b)	-	(718,607)	-	176,154	-	-	176,154	-	(542,453)	
In lieu of services rendered	6(b)	699,666	699,666	-	-	-	-	-	-	699,666	
Warrants issued for property acquisition	6(e)	-	-	-	-	877,450	-	877,450	-	877,450	
Exercise of warrants	6(e)	1,786,500	1,050,616	-	-	(173,191)	-	(173,191)	-	877,425	
Share-based payments	6(d)	-	-	861,193	-	-	-	861,193	-	861,193	
Net loss and comprehensive loss		-	-	-	-	-	(1,583)	(1,583)	(10,383,421)	(10,385,004)	
Balance as at December 31, 2021 (Audited)		101,513,218	27,686,298	2,373,928	858,195	3,495,459	(17,981)	6,709,601	(18,215,630)	16,180,269	
Shares issued:											
In lieu of services rendered	6(b)	155,843	119,999	-	-	-	-	-	-	119,999	
Warrants issued for property acquisition	6(e)	-	-	-	-	328,400	-	328,400	-	328,400	
Exercise of warrants	6(e)	365,000	164,250	-	-	-	-	-	-	164,250	
Share-based payments	6(d)	-	-	1,739	-	-	-	1,739	-	1,739	
Net loss and comprehensive loss		-	-	-	-	-	26,400	26,400	(1,628,164)	(1,601,764)	
Balance as at March 31, 2022 (Unaudited)		102,034,061	\$ 27,970,547	\$ 2,375,667	\$ 858,195	\$ 3,823,859	\$ 8,419	\$ 7,066,140	\$ (19,843,794)	\$ 15,192,893	

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

REYNA SILVER CORP.
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CASH FLOWS
(Expressed in Canadian dollars; Unaudited)

		For the	
		three months ended March 31	
	Note	2022	2021
Cash provided by (used for):			
Operating activities			
Net loss		\$ (1,628,164)	\$ (1,474,268)
Items not involving cash:			
Management and director fees paid in common shares	8	119,999	-
Share-based compensation	6(d)	1,739	269,514
Foreign exchange (gain)/loss		10,641	8,755
Changes in non-cash working capital items:			
Receivables		9,613	23,256
Prepaid expenses		(15,303)	26,832
VAT receivables		(174,996)	(137,713)
Trade and other payables		(120,324)	(330,151)
Cash (used in) operating activities		(1,796,795)	(1,613,775)
Investing activities			
Exploration and evaluation assets		(97,161)	(57,930)
Cash acquired by (used in) investing activities		(97,161)	(57,930)
Financing activities			
Net proceeds from issuance of common shares	6	164,250	696,196
Cash provided by financing activities		164,250	696,196
Net decrease in cash and cash equivalents		(1,729,706)	(975,509)
Cash and cash equivalents - beginning of the period		7,701,491	11,294,878
Cash and cash equivalents - end of the period		\$ 5,971,785	\$ 10,319,369
Supplemental disclosure with respect to cash flows:			
Common shares issuance pursuant to management and director fees		\$ 119,999	\$ -
Warrants issuance pursuant to property acquisition		328,400	2,120,700
Exploration and evaluation assets included in accounts payable		2,001	33,831

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

REYNA SILVER CORP.

Notes to the Condensed Consolidated Interim Financial Statements

As at March 31, 2022

(Unaudited)

(Expressed in Canadian dollars)

1. NATURE OF OPERATIONS AND GOING CONCERN

Reyna Silver Corp. (the “Company” or “Reyna Silver”) registered its incorporation on August 24, 2017 in the province of British Columbia, Canada. The Company changed its name from “Trudeau Gold Inc.” to “Century Metals Inc.” on April 30, 2018 and began trading on TSX Venture Exchange (the “Exchange”) on June 17, 2019. Its registered address is at 2900-595 Burrard Street, Vancouver, BC V7X 1J5.

These condensed consolidated interim financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”) applicable to a going concern basis, which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business for the foreseeable future. The continuing operations of the Company are dependent upon its ability to raise adequate financing to develop its exploration and evaluation assets, and to commence profitable operations in the future. To date, the Company has not generated any significant revenues and is considered to be in the exploration stage.

Management’s plan includes continuing to pursue additional sources of financing through equity offerings, seeking joint venture partners to fund exploration, monitoring exploration activity and reducing overhead costs. Should the Company be unable to realize on its assets and discharge its liabilities in the normal course of business, the net realizable value of its assets may be materially less than the amounts recorded on the consolidated financial statements of financial position. These consolidated financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts and classification of liabilities that may be necessary should the Company be unable to continue in existence.

	March 31, 2022	December 31, 2021
Deficit	\$ (19,843,794)	\$ (18,215,630)
Working capital	\$ 5,918,229	\$ 7,490,124

2. BASIS OF PRESENTATION

(a) Statement of compliance

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

(b) Basis of preparation

These condensed consolidated interim financial statements have been prepared on a historical cost basis except for financial instruments that have been measured at fair value. In addition, these condensed consolidated interim financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

The preparation of these condensed consolidated interim financial statements in conformity with IAS 34 requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates. These condensed consolidated interim financial statements do not include all of the information required for full annual financial statements.

These condensed consolidated interim financial statements, including comparatives, have been prepared on the basis of IFRS standards that are published at the time of preparation.

REYNA SILVER CORP.

Notes to the Condensed Consolidated Interim Financial Statements

As at March 31, 2022

(Unaudited)

(Expressed in Canadian dollars)

3. SIGNIFICANT ACCOUNTING POLICIES

These unaudited condensed consolidated interim financial statements have been prepared in accordance with IFRS as issued by the IASB on a basis consistent with those followed in the Company's most recent annual financial statements for the year ended December 31, 2021.

These unaudited condensed consolidated interim financial statements do not include all note disclosures required by IFRS for annual financial statements, and therefore should be read in conjunction with the annual financial statements for the year ended December 31, 2021. In the opinion of management, all adjustments considered necessary for fair presentation of the Company's financial position, results of operations and cash flows have been included. Operating results for the three-month period ended March 31, 2022 are not necessarily indicative of the results that may be expected for the current fiscal year ending December 31, 2022.

New accounting standards and interpretations

Certain new accounting standards and interpretations have been published that are not mandatory for the March 31, 2022 reporting period. The Company has not early adopted the following new and revised standards, amendments and interpretations that have been issued but are not yet effective:

- Presentation of financial statements

An amendment to IAS 1 was issued in January 2020 and applies to annual reporting periods beginning on or after January 1, 2023. The amendment clarifies the criterion for classifying a liability as non-current relating to the right to defer settlement of a liability for at least 12 months after the reporting period.

The Company anticipates that the application of the above new and revised standards, amendments and interpretations will have no material impact on its results and financial position.

REYNA SILVER CORP.

Notes to the Condensed Consolidated Interim Financial Statements

As at March 31, 2022

(Unaudited)

(Expressed in Canadian dollars)

4. EXPLORATION AND EVALUATION ASSETS AND MINERAL EXPLORATION EXPENSES

MEXICO

(a) Guigui Property

The Company acquired 100% interest of the Guigui Property pursuant to the Asset Purchase and Sale Agreement (the "Agreement") with MAG Silver Corp. ("MAG Silver") on June 29, 2018. The Guigui Property, consisting of 7 concessions (4,553.7034 hectares) is located in Chihuahua Mexico.

(b) Batopilas Property

The Company acquired 100% interest of the Batopilas Property pursuant to the Agreement with MAG Silver on June 29, 2018. The Batopilas Property, consisting of 10 concessions (1,169.7313 hectares) is located in Chihuahua Mexico.

Pursuant to the Agreement, the Company acquired the Guigui Property and the Batopilas Property by paying US\$8,500 (\$11,036) to MAG Silver and issuing 14,556,706 common shares with each common share valued at \$0.20 for a total value of \$2,911,341. These 14,556,706 common shares are subject to a voluntary pooling arrangement in accordance with the Agreement (Note 6c).

MAG Silver retains certain participation rights to maintain MAG Silver's percentage ownership interest in the Company. This right to participate shall survive until the earlier of (a) the date of which MAG Silver owns less than 10% of the Company's common shares; and (b) June 3, 2022.

Royalties:

The Guigui property is subject to a 2.5% net smelter royalty ("NSR") payable to the underlying owner with a right of first refusal; while the Batopilas property is subject to a 4.5% NSR payable to the underlying owner with a right of first refusal.

REYNA SILVER CORP.

Notes to the Condensed Consolidated Interim Financial Statements

As at March 31, 2022

(Unaudited)

(Expressed in Canadian dollars)

4. EXPLORATION AND EVALUATION ASSETS AND MINERAL EXPLORATION EXPENSES, (Continued)

MEXICO, (Continued)

(c) La Chinche Property

The Company entered into two agreements to acquire an 80% interest in the La Chinche Property.

On July 1, 2020, the Company entered into a mineral property option agreement with United Minerals Pty Limited and Minerales Unidos La Chinche S.A. de C.V. ("United Minerals") to acquire 50% interest in the La Chinche property in exchange for 500,000 common shares and 11,500,000 warrants as follows:

Date/Period	Shares	Warrants
Upon receipt of the Exchange approval	250,000 (issued)	1,000,000 warrants exercisable for a period of 12 months at \$0.74 (issued)
January 1, 2021	None	3,000,000 warrants exercisable for a period of 12 months at \$0.75 (issued)
July 1, 2021	None	3,500,000 warrants exercisable for a period of 12 months at \$1.00 (issued)
January 1, 2022	None	4,000,000 warrants exercisable for a period of 12 months at \$1.25 (issued)
July 1, 2022	250,000	None

On July 1, 2020, the Company entered into a mineral property option agreement with the underlying concession owner (the "Sellers") to acquire an additional 30% interest in the La Chinche property by incurring the following:

- (i) Making a cash payment of US\$42,000 on signing the agreement (paid);
- (ii) Undertaking a minimum of US\$900,000 in work on the property within 24 months;
- (iii) Following the above work program, preparing a NI 43-101 technical report summarizing any mineral resources on the property (the "Report"); and
- (iv) Based on the mineral resources set out in the Report, paying an additional amount to the Sellers, calculated as a minimum of US\$1,000,000 (for up to 1,500,000 tonnes of resource based on 12% Zn equivalent cut-off) plus an additional US\$250,000 for every 500,000 tonnes of resource at comparable grade contained within the property over and above 1,500,000 tonnes.

(d) La Reyna Property

On September 29, 2020, the Company entered into a mineral property option agreement with the underlying concession owner (the "Sellers") to acquire a 100% interest in the La Reyna property by incurring the following:

- (i) US\$30,000 - on signing (paid);
- (ii) US\$45,000 - 6 months from signing (paid);
- (iii) US\$75,000 - 12 months from signing (paid);
- (iv) US\$75,000 - 18 months from signing (paid);
- (v) US\$120,000 - 24 months from signing;
- (vi) US\$120,000 - 30 months from signing;
- (vii) US\$150,000 - 36 months from signing;
- (viii) US\$685,000 - 48 months from signing.

The La Reyna Property is subject to a 2.5% royalty of which the Company can pay US\$500,000 for each 0.5%.

REYNA SILVER CORP.

Notes to the Condensed Consolidated Interim Financial Statements

As at March 31, 2022

(Unaudited)

(Expressed in Canadian dollars)

4. EXPLORATION AND EVALUATION ASSETS AND MINERAL EXPLORATION EXPENSES, (Continued)

MEXICO, (Continued)

(e) Matilde Property

In fiscal 2018, the Company acquired the Matilde property for \$7,476 by staking. The Matilde property is located in Sonora Mexico and consists of 1,369 hectares.

(f) El Durazno Property

In fiscal 2019, the Company acquired the El Durazno property for \$9,601 by staking. The El Durazno property is located in Sonora Mexico and consists of 24,630 hectares.

On July 19, 2021, the Company signed an option agreement with Reyna Gold Corp (“Reyna Gold”), a company with directors in common. The Company agreed to grant Reyna Gold the exclusive option to acquire up to a 51% interest in the El Durazno Property. Pursuant to the agreement:

- Reyna Gold must pay the sum of \$20,000 within 10 days of execution of this agreement (received); and
- Incur at least \$500,000 of expenditures on the El Durazno property before July 19, 2025.

UNITED STATES

(g) Medicine Springs Property (Nevada)

On September 24, 2020, the Company entered into a property option agreement with Northern Lights Resources Corp. (“Northern Lights”), subject to the completion of due diligence, to acquire an 80% interest in the Medicine Springs Property, located in Elko county, Nevada.

- To acquire the 75% interest in the Medicine Springs Property, the Company must assume and satisfy certain of Northern Lights’ obligations under the underlying option agreement as to payment of US\$875,000 of cash consideration and incurring of at least US\$2,439,065 of expenditures on the property (collectively the “Option Price”), on or before December 31, 2023, of which US\$689,065 of these expenditures must be incurred by December 31, 2022. (As of March 31, 2022, \$128,450 (US\$100,000) cash consideration was paid.)
- Northern Lights further grants to the Company the option to acquire an additional 5% interest in the property for US\$1,000,000.

NSR ranging from 0.5% to 2% is payable to the underlying owners of certain claims.

CANADA

(h) Trudeau Gold Property (Quebec)

The Company holds a 100% interest in the Trudeau Gold Property consisting of three non-contiguous claim groups surrounding Duparquet Lake in the province of Quebec, namely Fabie, Trudeau and Eastchester.

On March 8, 2021, the Company sold its Trudeau Gold property to Beyond Minerals Ltd. (“Beyond Minerals”). The sale price received by the Company was 1,000,000 shares of Beyond Minerals and a 1.0% NSR (see note 5).

REYNA SILVER CORP.

Notes to the Condensed Consolidated Interim Financial Statements

As at March 31, 2022

(Unaudited)

(Expressed in Canadian dollars)

4. EXPLORATION AND EVALUATION ASSETS AND MINERAL EXPLORATION EXPENSES, (Continued)

	Mexico					Canada	USA	Total
	Batopilas	Guigui	La Chinche	La Reyna	Others	Trudeau	Medicine Springs	
Exploration and evaluation assets								
Acquisition costs								
As of January 1, 2021	\$ 597,262	\$ 2,325,115	\$ 1,069,246	\$ 42,543	\$ 17,077	\$ 813,596	\$ 33,831	\$ 4,898,670
Addition during the period	-	-	2,998,150	149,625	-	-	128,450	3,276,225
	-	-	-	-	-	813,596	-	813,596
As of December 31, 2021	\$ 597,262	\$ 2,325,115	\$ 4,067,396	\$ 192,168	\$ 17,077	\$ -	\$ 162,281	\$ 7,361,299
Mineral exploration expenses for the year ended December 31, 2021								
Consulting and reporting	\$ 7,551	\$ 28,985	\$ 1,602	\$ -	\$ -	\$ -	\$ -	\$ 38,138
Claim staking	-	-	-	-	-	-	-	-
Mineral taxes	17,630	64,556	8,842	45,744	-	-	214,871	351,643
Drilling	547,718	1,357,818	139,104	-	-	-	-	2,044,640
Geology and exploration	854,197	3,155,418	193,932	64,759	-	-	141,766	4,410,072
Geophysics	12,918	44,111	-	-	-	-	-	57,029
Other property related expenses	163,743	623,187	40,398	-	-	-	47,114	874,442
Permitting	-	-	-	-	-	-	5,217	5,217
Reimbursements from optionee	-	-	-	-	(20,000)	-	-	(20,000)
	\$ 1,603,757	\$ 5,274,075	\$ 383,878	\$ 110,503	\$ (20,000)	\$ -	\$ 408,968	\$ 7,761,181
Cumulative mineral exploration expenses up to December 31, 2021								
Consulting and reporting	\$ 13,941	\$ 287,787	\$ 2,101	\$ -	\$ -	\$ 4,500	\$ -	\$ 308,329
Claim staking	-	-	-	-	-	-	46,282	46,282
Mineral taxes	97,236	394,374	12,490	53,223	-	-	305,363	862,686
Drilling	549,042	1,361,442	139,207	-	-	-	-	2,049,691
Geology and exploration	1,020,974	3,648,911	206,003	72,991	-	-	180,971	5,129,850
Geophysics	12,918	49,828	-	-	-	-	-	62,746
Other property related expenses	181,724	713,564	41,802	-	-	-	55,447	992,537
Permitting	-	-	-	-	-	-	5,217	5,217
Reimbursements from optionee	-	-	-	-	(20,000)	-	-	(20,000)
	\$ 1,875,835	\$ 6,455,906	\$ 401,603	\$ 126,214	\$ (20,000)	\$ 4,500	\$ 593,280	\$ 9,437,338

REYNA SILVER CORP.

Notes to the Condensed Consolidated Interim Financial Statements

As at March 31, 2022

(Unaudited)

(Expressed in Canadian dollars)

4. EXPLORATION AND EVALUATION ASSETS AND MINERAL EXPLORATION EXPENSES, (Continued)

	Mexico					Canada	USA	Total
	Batopilas	Guigui	La Chinche	La Reyna	Others	Trudeau	Medicine Springs	
Exploration and evaluation assets								
Acquisition costs								
As of January 1, 2022	\$ 597,262	\$ 2,325,115	\$ 4,067,396	\$ 192,168	\$ 17,077	\$ -	\$ 162,281	\$ 7,361,299
Addition during the period	-	-	328,400	99,296	-	-	(31,830)	395,866
As of March 31, 2022	\$ 597,262	\$ 2,325,115	\$ 4,395,796	\$ 291,464	\$ 17,077	\$ -	\$ 130,451	\$ 7,757,165
Mineral exploration expenses for the period ended March 31, 2022								
Consulting and reporting	\$ 1,266	\$ 4,860	\$ 269	\$ -	\$ -	\$ -	\$ -	\$ 6,395
Mineral taxes	13,644	53,114	2,921	3,538	-	-	-	73,217
Drilling	98,978	379,914	20,995	-	-	-	-	499,887
Geology and exploration	87,912	313,688	15,546	7,986	-	-	8,357	433,489
Other property related expenses	1,128	17,324	239	-	-	-	587	19,278
	\$ 202,928	\$ 768,900	\$ 39,970	\$ 11,524	\$ -	\$ -	\$ 8,944	\$ 1,032,266
Cumulative mineral exploration expenses up to March 31, 2022								
Consulting and reporting	\$ 15,207	\$ 292,647	\$ 2,370	\$ -	\$ -	\$ 4,500	\$ -	\$ 314,724
Claim staking	-	-	-	-	-	-	46,282	46,282
Mineral taxes	110,880	447,488	15,411	56,761	-	-	305,363	935,903
Drilling	648,020	1,741,356	160,202	-	-	-	-	2,549,578
Geology and exploration	1,108,886	3,962,599	221,549	80,977	-	-	189,328	5,563,339
Geophysics	12,918	49,828	-	-	-	-	-	62,746
Other property related expenses	182,852	730,888	42,041	-	-	-	56,034	1,011,815
Permitting	-	-	-	-	-	-	5,217	5,217
Reimbursements from optionee	-	-	-	-	(20,000)	-	-	(20,000)
	\$ 2,078,763	\$ 7,224,806	\$ 441,573	\$ 137,738	\$ (20,000)	\$ 4,500	\$ 602,224	\$ 10,469,604

REYNA SILVER CORP.

Notes to the Condensed Consolidated Interim Financial Statements

As at March 31, 2022

(Unaudited)

(Expressed in Canadian dollars)

5. INVESTMENT

On March 8, 2021, the Company sold its Trudeau Gold property to Beyond Minerals. The sale price received by the Company was 1,000,000 shares of Beyond Minerals and a 1.0% NSR (see note 5(h)). The Trudeau property had been valued at \$813,596 on the Company balance sheet following the acquisition of the property via the RTO with Century Metals.

As of December 31, 2021, the Company valued the shares of Beyond Minerals at \$100,000, based on the last financing round completed by Beyond Minerals at \$0.10 per share. As a result, the Company recorded a write-down of investment in the amount of \$713,596 on the statement of loss and comprehensive loss during the year-ended December 31, 2021. As of March 31, 2022, the investment was valued at \$100,000. On April 13, 2022, Beyond Minerals began trading on the Canadian Securities Exchange.

6. SHARE CAPITAL

a. Authorized

There are an unlimited number of common shares without par value.

There are an unlimited number of preferred shares without par value.

b. Common share issuance

During the year ended December 31, 2021:

- (i) On June 22, 2021, the Company completed a non-brokered private placement by issuing 7,298,134 units ("Unit") at a price of \$0.83 per Unit for gross proceeds of \$6,057,451. Each Unit consists of one common share and one-half of one common share purchase warrant. Each whole warrant entitles the holder to purchase one additional common share for a 24-month period at a price of \$1.25, expiring on June 22, 2023. Under the residual value approach, no value was assigned to the warrant component of the Units.

In connection with the private placement, the Company paid a total of \$371,482 cash finder's fee and issued 446,978 finder's warrants, each of which is exercisable into one Unit at a price of \$0.83 for a period of 24 months, expiring on June 22, 2023. The value of the finder's warrants was determined to be \$176,154 calculated using the Black-Scholes option pricing model. Another \$170,971 was also included as share issue costs.

- (ii) The Company issued 699,666 common shares with a fair value of \$699,666 to its consultants for geological consulting services

During the three months ended March 31, 2022:

- (iii) The Company issued 155,843 common shares with a fair value of \$119,999 to its directors and officers for consulting services

c. Escrowed shares

2,968,212 common shares were placed in escrow in accordance with the escrow agreement dated April 3, 2019, where 10% of the escrowed common shares were released on June 10, 2019 and 15% every six months thereafter. As at March 31, 2022, 445,232 common shares were held in escrow.

REYNA SILVER CORP.

Notes to the Condensed Consolidated Interim Financial Statements

As at March 31, 2022

(Unaudited)

(Expressed in Canadian dollars)

6. SHARE CAPITAL (Continued)

c. Escrowed shares (Continued)

12,076,501 common shares were placed in escrow in accordance with the escrow agreement dated June 3, 2020, where 10% of the escrowed common shares were released on June 4, 2020 and 15% every six months thereafter. As at March 31, 2022, 5,434,426 common shares were held in escrow.

d. Stock options

Stock option transactions and the number of stock options, including the compensation options and advisor options, for the three months ended March 31, 2022 are summarized as follows:

Expiry date	Exercise price	December 31, 2020	Granted	Exercised	Expired / Cancelled	March 31, 2022		
June 3, 2022	\$ 0.20	375,000	-	-	-	375,000		
June 3, 2022	\$ 0.45	89,685	-	-	-	89,685		
September 13, 2029	\$ 0.57	187,500	-	-	-	187,500		
October 13, 2025	\$ 1.13	1,600,000	-	-	-	1,600,000		
March 30, 2024	\$ 1.00	130,000	-	-	-	130,000		
January 12, 2026	\$ 1.03	502,400	-	-	-	502,400		
December 16, 2026	\$ 0.71	1,600,000	-	-	-	1,600,000		
Options outstanding		4,484,585	-	-	-	4,484,585		
Options exercisable		4,409,585	-	-	-	4,484,585		
Weighted average exercise price	\$	0.85	\$	-	\$	-	\$	0.85

As at March 31, 2022, the weighted average contractual remaining life of options is 3.76 years (December 31, 2021 – 4.00 years). The weighted average fair value of stock options granted during the three months ended March 31, 2022 was \$Nil (March 31, 2021 - \$0.66).

Stock option transactions and the number of stock options for the year ended December 31, 2021 are summarized as follows:

Expiry date	Exercise price	December 31, 2020	Granted	Exercised	Expired / Cancelled	December 31, 2021				
June 3, 2022	\$ 0.20	575,000	-	(200,000)	-	375,000				
June 3, 2022	\$ 0.45	89,685	-	-	-	89,685				
September 13, 2029	\$ 0.57	200,000	-	(12,500)	-	187,500				
October 13, 2025	\$ 1.13	1,600,000	-	-	-	1,600,000				
March 30, 2024	\$ 1.00	-	130,000	-	-	130,000				
January 12, 2026	\$ 1.03	-	502,400	-	-	502,400				
December 16, 2026	\$ 0.71	-	1,600,000	-	-	1,600,000				
Options outstanding		2,464,685	2,232,400	(212,500)	-	4,484,585				
Options exercisable		2,464,685	2,157,400	-	-	4,409,585				
Weighted average exercise price	\$	0.84	\$	0.80	\$	0.22	\$	-	\$	0.85

The weighted average assumptions used to estimate the fair value of options for the three months ended March 31, 2022 and 2021 were as follows:

REYNA SILVER CORP.

Notes to the Condensed Consolidated Interim Financial Statements

As at March 31, 2022

(Unaudited)

(Expressed in Canadian dollars)

6. SHARE CAPITAL (Continued)**d. Stock options (Continued)**

	2022	2021
Expected dividend yield	n/a	0.00%
Expected stock price volatility	n/a	83.34% - 84.89%
Risk-free interest rate	n/a	1.25% - 1.27%
Forfeiture rate	n/a	0.00%
Expected life of options	n/a	3 years - 5 years

e. Warrants

The continuity of warrants for the three months ended March 31, 2022 is as follows:

Expiry date	Exercise price	December 31, 2021	Issued	Exercised	Expired	March 31, 2022
June 3, 2022	(b) \$ 0.45	9,931,753	-	(365,000)	-	9,566,753
August 19, 2022	\$ 0.90	5,562,500	-	-	-	5,562,500
January 1, 2022	(a) \$ 0.75	2,755,000	-	-	(2,755,000)	-
July 1, 2022	(a) \$ 1.00	3,500,000	-	-	-	3,500,000
June 22, 2023	\$ 1.25	3,649,067	-	-	-	3,649,067
January 1, 2023	(a) \$ 1.25	-	4,000,000	-	-	4,000,000
Warrants outstanding		25,398,320	4,000,000	(365,000)	(2,755,000)	26,278,320
Weighted average exercise price		\$ 0.77	\$ 1.25	\$ 0.45	\$ 0.75	\$ 0.85

(a) These warrants were granted pursuant to the mineral property option agreement (see note 4(c)).

(b) Subsequently, 425,500 warrants were exercised.

As at March 31, 2022, the weighted average contractual remaining life of warrants is 0.46 years (December 31, 2021 – 0.58 years).

The continuity of warrants for the year ended December 31, 2021 is as follows:

Expiry date	Exercise price	December 31, 2020	Issued	Exercised	Expired	December 31, 2021
August 17, 2021	(a) \$ 0.74	1,000,000	-	-	(1,000,000)	-
June 3, 2022	(b) \$ 0.45	12,833,496	-	(2,901,743)	-	9,931,753
August 19, 2022	\$ 0.90	5,575,000	-	(12,500)	-	5,562,500
January 1, 2022	(a) (c) \$ 0.75	-	3,000,000	(245,000)	-	2,755,000
July 1, 2022	(a) \$ 1.00	-	3,500,000	-	-	3,500,000
June 22, 2023	\$ 1.25	-	3,649,067	-	-	3,649,067
Warrants outstanding		19,408,496	10,149,067	(3,159,243)	(1,000,000)	25,398,320
Weighted average exercise price		\$ 0.59	\$ 1.02	\$ 0.48	\$ 0.74	\$ 0.77

(a) These warrants were granted pursuant to the mineral property option agreement (see note 4(c)).

(b) Subsequent to December 31, 2021, 640,000 warrants were exercised.

(c) Subsequent to December 31, 2021, 2,755,000 warrants expired unexercised.

REYNA SILVER CORP.

Notes to the Condensed Consolidated Interim Financial Statements

As at March 31, 2022

(Unaudited)

(Expressed in Canadian dollars)

6. SHARE CAPITAL (Continued)**e. Warrants (Continued)**

The assumptions used to estimate the fair value of warrants issued pursuant to the mineral property option agreement for the three months ended March 31, 2022 and 2021 was as follows:

	2022	2021
Expected dividend yield	0.00%	0.00%
Expected stock price volatility	67.24%	73.96%
Risk-free interest rate	0.46%	0.50%
Forfeiture rate	0.00%	0.00%
Expected life of warrants	1 year	1 year

f. Finder's Warrants

The continuity of finder's warrants for the three months ended March 31, 2022 is as follows:

Expiry date	Exercise price	December 31, 2020	Issued	Exercised	Expired	March 31, 2022		
June 3, 2022	\$ 0.45	854,145	-	-	-	854,145		
August 19, 2022 (a)	\$ 0.62	734,204	-	-	-	734,204		
June 22, 2023 (b)	\$ 0.83	446,978	-	-	-	446,978		
Finders warrants outstanding		2,035,327	-	-	-	2,035,327		
Weighted average exercise price	\$	0.59	\$	-	\$	-	\$	0.59

(a) Each compensation warrant is exercised into one common share and one-half of a warrant, where each full warrant is then exercisable into one common share at \$0.62 for a period of 2 years.

(b) Each compensation warrant is exercised into one common share and one-half of a warrant, where each full warrant is then exercisable into one common share at \$1.25 for a period of 2 years.

As at March 31, 2022, the weighted average contractual remaining life of finder's warrants is 0.48 years (December 31, 2021 – 0.73 years).

The continuity of finder's warrants for the year ended December 31, 2021 is as follows:

Expiry date	Exercise price	December 31, 2020	Issued	Exercised	Expired	December 31, 2021				
June 3, 2022	\$ 0.45	911,283	-	(57,138)	-	854,145				
August 19, 2022 (a)	\$ 0.62	734,204	-	-	-	734,204				
June 22, 2023 (b)	\$ 0.83	-	446,978	-	-	446,978				
Finders warrants outstanding		1,645,487	446,978	(57,138)	-	2,035,327				
Weighted average exercise price	\$	0.530	\$	0.83	\$	0.45	\$	-	\$	0.59

(a) Each compensation warrant is exercised into one common share and one-half of a warrant, where each full warrant is then exercisable into one common share at \$0.62 for a period of 2 years.

(b) Each compensation warrant is exercised into one common share and one-half of a warrant, where each full warrant is then exercisable into one common share at \$1.25 for a period of 2 years.

REYNA SILVER CORP.

Notes to the Condensed Consolidated Interim Financial Statements

As at March 31, 2022

(Unaudited)

(Expressed in Canadian dollars)

6. SHARE CAPITAL (Continued)

f. Finder's Warrants

The weighted average assumptions used to estimate the fair value of finder's warrants for the three months ended March 31, 2022 and 2021 were as follows:

	2022	2021
Expected dividend yield	n/a	n/a
Expected stock price volatility	n/a	n/a
Risk-free interest rate	n/a	n/a
Forfeiture rate	n/a	n/a
Expected life of options	n/a	n/a

7. LOSS PER SHARE

Basic and diluted loss per share

The calculation of basic and diluted loss per share for three months ended March 31, 2022 was based on the loss attributable to common shareholders of \$1,628,165 (three months ended March 31, 2020 – \$1,474,268) and a weighted average number of common shares outstanding of 101,940,308 (three months ended March 31, 2021 – 91,145,514).

Diluted loss per share did not include the effect of the 26,278,320 warrants, 4,484,585 stock options and advisor options and 2,035,327 finders' warrants (March 31, 2021 – 21,035,753 warrants, 2,884,585 stock options and advisor options and 1,588,349 finders' warrants) since they were anti-dilutive.

8. RELATED PARTY TRANSACTIONS

The aggregate value of transactions and outstanding balances relating to key management personnel and entities over which they have control or significant influence were as follows:

For the three months ended March 31, 2022

	Cash payments	Shares issued	Share-based payments	Total
Jorge Ramiro Monroy ⁽¹⁾ Chief Executive Officer, Director	\$ 75,000	\$ 10,500	\$ -	\$ 85,500
Michael Wood ⁽²⁾ Chief Financial Officer, Director	\$ 30,000	\$ 10,499	\$ -	\$ 40,499
Peter Jones ⁽³⁾ Director	\$ 6,250	\$ 33,000	\$ -	\$ 39,250
Alex Langer ⁽⁴⁾ Director	\$ 5,000	\$ 33,000	\$ -	\$ 38,000
Evaristo Trevino ⁽⁵⁾ Director	\$ 3,750	\$ 33,000	\$ -	\$ 36,750
TOTAL:	\$ 120,000	\$ 119,999	\$ -	\$ 239,999

REYNA SILVER CORP.

Notes to the Condensed Consolidated Interim Financial Statements

As at March 31, 2022

(Unaudited)

(Expressed in Canadian dollars)

8. RELATED PARTY TRANSACTIONS, (Continued)

For the three months ended March 31, 2021

	Cash payments	Shares issued	Share-based payments	Total
Jorge Ramiro Monroy ⁽¹⁾ Chief Executive Officer, Director	\$ 75,000	\$ -	\$ -	\$ 75,000
Michael Wood ⁽²⁾ Chief Financial Officer, Director	\$ 30,000	\$ -	\$ -	\$ 30,000
Peter Jones ⁽³⁾ Director	\$ 6,250	\$ -	\$ -	\$ 6,250
Alex Langer ⁽⁴⁾ Director	\$ 5,000	\$ -	\$ -	\$ 5,000
Evaristo Trevino ⁽⁵⁾ Director	\$ 3,750	\$ -	\$ -	\$ 3,750
TOTAL:	\$ 120,000	\$ -	\$ -	\$ 120,000

(1) Jorge Ramiro Monroy's cash payments as the Chief Executive Officer were paid through Emerging Markets Capital Limited while the shares were issued to Mr. Monroy himself.

(2) Michael Wood became the director of the Company effective June 3, 2020 and the Chief Financial Officer effective July 6, 2020. Mr. Wood's cash payments as the Chief Financial Officer were paid through Reyna Silver Hong Kong Limited and Athena Jade Limited while the shares were issued to Mr. Wood himself.

(3) Peter Jones became the director of the Company effective June 3, 2020.

(4) Alex Langer's director fee was paid to his company Andros Capital Corp.

(5) Evaristo Trevino became the director of the Company effective September 21, 2020.

Related party transactions and balances:

Amounts in due to related parties:	Services for:	For the three months ended March 31		As at March 31,	As at December 31,
		2022	2021	2022	2021
Emerging Capital Markets ⁽¹⁾	Management fee	\$ 75,000	\$ 75,000	\$ -	\$ -
Reyna Silver Hong Kong Limited ⁽²⁾	Management fee	-	30,000	-	-
Athena Jade Limited ⁽³⁾	Management fee	30,000	-	-	-
Andros Capital Corp. ⁽⁴⁾	Management fee and consulting fee	5,000	5,000	-	-
Total		\$ 110,000	\$ 110,000	\$ -	\$ -

(1) Jorge Ramiro Monroy is the managing director of this private company.

(2) Michael Wood and Jorge Ramiro Monroy are the sole directors of this private company.

(3) Michael Wood is the sole director of this private company.

(4) Alex Langer is the owner of this private company.

9. COMMITMENTS

The Company is committed to issue a total of 1,245,824 common shares to its directors, officers and consultants over the next 9 months for consulting and geological consulting services.

REYNA SILVER CORP.

Notes to the Condensed Consolidated Interim Financial Statements

As at March 31, 2022

(Unaudited)

(Expressed in Canadian dollars)

10. FINANCIAL INSTRUMENTS

The fair value of the Company's cash and cash equivalents, receivables (excluding sales tax) and trade and other payables approximate their carrying values.

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

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

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

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

The Company does not have any financial instruments measured at fair value.

The Company's financial instruments are exposed to certain financial risks, including credit risk, liquidity risk, interest risk, currency and industry risk.

(a) Credit risk

Credit risk is the risk that one party to a financial instrument will fail to fulfil an obligation causing the other party to incur a financial loss. The Company is exposed to credit risks arising from its cash holdings and receivables. The Company manages credit risk by placing cash with major Canadian and Mexican financial institutions. Management believes that credit risk related to these amounts is low.

(b) Liquidity risk

Liquidity risk is the risk that the Company will not have sufficient funds to meet its financial obligations when they are due. To manage liquidity risk, the Company reviews additional sources of capital to continue its operations and discharge its commitments as they become due.

Historically, the Company's sole source of funding has been the issuance of equity securities for cash and cash equivalents, primarily through private placements. The Company access to financing is always uncertain. There can be no assurance of continued access to significant equity funding. Liquidity risk is assessed as high.

(c) Interest rate risk

Interest rate risk is the risk that any investment income or investment value will change due to a change in the level of interest rates. The Company's exposure to interest rate risk is minimal.

REYNA SILVER CORP.

Notes to the Condensed Consolidated Interim Financial Statements

As at March 31, 2022

(Unaudited)

(Expressed in Canadian dollars)

10. FINANCIAL INSTRUMENTS (Continued)

(d) Currency risk

The Company's property interests in Mexico and USA make it subject to foreign currency fluctuations and inflationary pressures which may adversely affect the Company's financial position, results of operations and cash flows. The Company is affected by changes in exchange rates between the Canadian dollar and the Mexican pesos as well as between the Canadian dollar and the US dollar. The Company does not invest in foreign currency contracts to mitigate the risks. The Company has net monetary liabilities of approximately 16,586,000 Mexican pesos. A 1% change in the absolute rate of exchange in Mexican pesos and US dollar would affect its net loss by approximately \$10,000.

(e) Management of industry risk

The Company is engaged primarily in the mineral exploration field and manages related industry risk issues directly. The Company is potentially at risk for environmental reclamation and fluctuations in commodity based market prices associated with resource property interests. Management is of the opinion that the Company addresses environmental risk and compliance in accordance with industry standards and specific project environmental requirements.

11. CAPITAL MANAGEMENT

The Company manages its cash and cash equivalents, common shares, warrants, finder's warrants and share purchase options as capital (see Note 6). The Company's objectives when managing capital are to safeguard its ability to continue as a going concern and to maintain a flexible capital structure which optimizes the costs of capital at an acceptable risk.

The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may attempt to issue new shares, acquire or dispose of assets or adjust the amount of cash and cash equivalents held.

In order to maximize ongoing operating efforts, the Company does not pay out dividends. The Company's investment policy is to invest its short-term excess cash in highly liquid short-term interest-bearing investments with maturities of 90 days or less from the original date of acquisition, selected with regards to the expected timing of expenditures from continuing operations.

The Company expects its current capital resources will be sufficient to carry out its exploration or operations in the near term.

REYNA SILVER CORP.

Notes to the Condensed Consolidated Interim Financial Statements

As at March 31, 2022

(Unaudited)

(Expressed in Canadian dollars)

12. SEGMENTED FINANCIAL INFORMATION

The Company operates in one industry segment, being the acquisition and exploration of mineral properties. Geographic information is as follows:

	March 31, 2022		December 31, 2021
Non-current assets			
Mexico	\$ 9,044,213	\$	8,427,864
USA	130,451		162,281
Canada	100,000		100,000
	<u>\$ 9,274,664</u>	<u>\$</u>	<u>8,690,145</u>
		For the	
		three months ended March 31	
		2022	2021
Mineral exploration expenses			
Mexico	\$ 1,023,322	\$	682,890
USA	8,944		7,545
	<u>\$ 1,032,266</u>	<u>\$</u>	<u>690,435</u>