



REYNA SILVER

**REYNA SILVER CORP.**  
*(An Exploration Stage Company)*

**Condensed Consolidated Interim Financial Statements**

**For the nine months ended  
September 30, 2022**

**(Unaudited)**

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

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**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	September 30, 2022 (Unaudited)	December 31, 2021 (Audited)
<b>ASSETS</b>			
<b>Current</b>			
Cash and cash equivalents		\$ 5,410,589	\$ 7,701,491
Receivables		6,843	15,353
Prepaid expenses		785,735	123,521
Marketable securities	4(h), 6	140,000	-
		6,343,167	7,840,365
<b>Non-current</b>			
Exploration and evaluation assets	4	9,270,813	7,361,299
Exploration deposit	4	30,893	-
Investment	4(h), 5	-	100,000
VAT receivables		1,917,316	1,228,846
		11,219,022	8,690,145
		\$ 17,562,189	\$ 16,530,510
<b>LIABILITIES</b>			
<b>Current</b>			
Trade and other payables		\$ 879,720	\$ 350,241
Due to related parties	9	46,740	-
		926,460	350,241
<b>SHAREHOLDERS' EQUITY</b>			
Common shares	7	32,717,487	27,686,298
Reserves	7	7,389,510	6,709,601
Deficit		(23,471,268)	(18,215,630)
		16,635,729	16,180,269
		\$ 17,562,189	\$ 16,530,510

**Nature of Operations and Going Concern (Note 1)**  
**Subsequent Event (Note 14)**

These condensed consolidated interim financial statements are authorized for issue by the Board of Directors on November 23, 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		For the	
		three months ended	September 30	nine months ended	September 30
		2022	2021	2022	2021
Exploration expenses	4	\$ 1,349,039	\$ 2,466,115	\$ 3,151,376	\$ 5,067,122
Reimbursements from optionee	4	-	(20,000)	-	(20,000)
		<u>1,349,039</u>	<u>2,446,115</u>	<u>3,151,376</u>	<u>5,047,122</u>
Administrative expenses					
Accounting and audit		31,904	27,051	94,074	74,793
Bank charges		2,447	2,501	7,311	5,831
Consulting		27,126	40,306	143,482	208,426
Legal		58,495	16,254	103,676	44,051
Management and director fees	9	301,000	120,000	660,999	360,000
Marketing and shareholders communication		364,300	217,931	890,106	561,461
Office		41,566	50,442	160,180	104,461
Share-based compensation	7(d)	-	65,405	1,739	400,009
Transfer agent, listing and filing fees		22,490	22,631	67,020	89,956
Foreign exchange (gain)/loss		(24,441)	(113,747)	(9,197)	70,475
		<u>824,887</u>	<u>448,774</u>	<u>2,119,390</u>	<u>1,919,463</u>
Other items					
Fair value gain/(loss) on marketable securities	6	(30,000)	-	40,000	-
Interest income		-	19	-	6,154
Property investigation costs		(5,313)	-	(24,872)	-
Write-down of investment	5	-	-	-	(713,596)
		<u>2,209,239</u>	<u>2,894,870</u>	<u>5,255,638</u>	<u>7,674,027</u>
Net loss					
Other comprehensive loss					
Cumulative translation adjustment		(205,305)	(112,967)	(258,428)	6,369
Total comprehensive loss for the period		<u>\$ 2,003,934</u>	<u>\$ 2,781,903</u>	<u>\$ 4,997,210</u>	<u>\$ 7,680,396</u>
Basic and diluted loss per share		<u>\$ 0.02</u>	<u>\$ 0.03</u>	<u>\$ 0.05</u>	<u>\$ 0.08</u>
Weighted average number of common shares outstanding		<u>117,105,950</u>	<u>100,406,146</u>	<u>107,548,050</u>	<u>94,928,383</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			
<b>Balance as at December 31, 2020 (Audited)</b>		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:										
Private placements	7(b)	7,298,134	6,057,451	-	-	-	-	-	-	6,057,451
Share issue costs	7(b)	-	(667,841)	-	176,154	-	-	176,154	-	(491,687)
In lieu of services rendered	7(b)	699,666	699,666	-	-	-	-	-	-	699,666
Warrants issued for property acquisition	7(e)	-	-	-	-	2,998,150	-	2,998,150	-	2,998,150
Exercise of options	7(d)	212,500	83,753	(36,628)	-	-	-	(36,628)	-	47,125
Exercise of finders' warrants	7(f)	57,138	28,146	-	(2,434)	-	-	(2,434)	-	25,712
Exercise of warrants	7(e)	2,201,743	996,409	-	-	-	-	-	-	996,409
Share-based payments	7(d)	-	-	400,009	-	-	-	400,009	-	400,009
Net loss and comprehensive loss		-	-	-	-	-	(6,369)	(6,369)	(7,674,027)	(7,680,396)
<b>Balance as at September 30, 2021 (Unaudited)</b>		100,555,718	27,059,498	1,643,230	858,195	3,668,650	(23,722)	6,146,353	(14,031,968)	19,173,883
Shares issued:										
Share issue costs	7(b)	-	(50,766)	-	-	-	-	-	-	(50,766)
Warrants issued for property acquisition	7(e)	-	-	-	-	-	-	-	-	-
Exercise of warrants	7(e)	957,500	677,566	-	-	(173,191)	-	(173,191)	-	504,375
Share-based payments	7(d)	-	-	730,698	-	-	-	730,698	-	730,698
Net loss and comprehensive loss		-	-	-	-	-	5,741	5,741	(4,183,662)	(4,177,921)
<b>Balance as at December 31, 2021 (Audited)</b>		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:										
Private placement	7(b)	13,888,889	5,000,000	-	-	-	-	-	-	5,000,000
Share issue costs	7(b)	-	(690,160)	-	123,592	-	-	123,592	-	(566,568)
In lieu of services rendered	7(b)	155,843	119,999	-	-	-	-	-	-	119,999
For property acquisition	7(b)	250,000	78,750	-	-	-	-	-	-	78,750
Warrants issued for property acquisition	7(e)	-	-	-	-	328,400	-	328,400	-	328,400
Exercise of options	7(d)	375,000	107,250	(32,250)	-	-	-	(32,250)	-	75,000
Exercise of warrants	7(e)	923,000	415,350	-	-	-	-	-	-	415,350
Share-based payments	7(d)	-	-	1,739	-	-	-	1,739	-	1,739
Net loss and comprehensive loss		-	-	-	-	-	258,428	258,428	(5,255,638)	(4,997,210)
<b>Balance as at September 30, 2022 (Unaudited)</b>		117,105,950	\$ 32,717,487	\$ 2,343,417	\$ 981,787	\$ 3,823,859	\$ 240,447	\$ 7,389,510	\$ (23,471,268)	\$ 16,635,729

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)

		<b>For the nine months ended September 30</b>	
	<b>Note</b>	<b>2022</b>	<b>2021</b>
<b>Cash provided by (used for):</b>			
<b>Operating activities</b>			
Net loss		\$ (5,255,638)	\$ (7,674,027)
Items not involving cash:			
Exploration expenses paid in common shares		-	699,666
Management and director fees paid in common shares	9	119,999	-
Share-based compensation	7(d)	1,739	400,009
Write-down of investment	5	-	713,596
Fair value gain on marketable securities		(40,000)	-
Foreign exchange (gain)/loss		124,365	(610)
Changes in non-cash working capital items:			
Receivables		8,510	47,372
Prepaid expenses		(662,214)	(10,929)
VAT receivables		(572,295)	(683,196)
Trade and other payables		(212,634)	(359,727)
Due to related parties		46,740	-
Cash (used in) operating activities		(6,441,428)	(6,867,846)
<b>Investing activities</b>			
Exploration and evaluation assets		(869,386)	(151,066)
Exploration deposit		(30,893)	-
Cash (used in) investing activities		(900,279)	(151,066)
<b>Financing activities</b>			
Net proceeds from issuance of common shares	7	5,050,805	6,635,010
Cash provided by financing activities		5,050,805	6,635,010
<b>Net decrease in cash and cash equivalents</b>		(2,290,902)	(383,902)
<b>Cash and cash equivalents - beginning of the period</b>		7,701,491	11,294,878
<b>Cash and cash equivalents - end of the period</b>		\$ 5,410,589	\$ 10,910,976
<b>Supplemental disclosure with respect to cash flows:</b>			
Common shares issuance pursuant to exploration expenses		\$ -	\$ 699,666
Common shares issuance pursuant to management and director fees		119,999	-
Common shares issuance pursuant to property acquisition		78,750	-
Common shares issuance pursuant to share issue costs		-	176,154
Finder's warrants issuance pursuant to share issue costs		123,592	-
Warrants issuance pursuant to property acquisition		328,400	2,998,150
Exploration and evaluation assets included in accounts payable		648,641	33,831
Share issue costs included in accounts payable		127,023	-

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 September 30, 2022

(Unaudited)

(Expressed in Canadian dollars)

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### 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.

	September 30, 2022	December 31, 2021
Deficit	\$ (23,471,268)	\$ (18,215,630)
Working capital	\$ 5,416,707	\$ 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 September 30, 2022

(Unaudited)

(Expressed in Canadian dollars)

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### **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 nine-month period ended September 30, 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 September 30, 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 September 30, 2022

(Unaudited)

(Expressed in Canadian dollars)

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### 4. EXPLORATION AND EVALUATION ASSETS AND MINERAL EXPLORATION EXPENSES

#### MEXICO

##### (a) 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.

##### (b) 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.

## REYNA SILVER CORP.

Notes to the Condensed Consolidated Interim Financial Statements

As at September 30, 2022

(Unaudited)

(Expressed in Canadian dollars)

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

#### MEXICO, (Continued)

##### (b) Guigui Property, (Continued)

The Company entered into two agreements to acquire an 80% interest in the La Chinche property (which is contiguous to the Guigui Property and together formed part of the Guigui 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 (issued)	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 (met);
- (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 (subsequently paid in July 2022) (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.

On July 14, 2022, the Company acquired an 80% interest in the La Chinche property.

## REYNA SILVER CORP.

Notes to the Condensed Consolidated Interim Financial Statements

As at September 30, 2022

(Unaudited)

(Expressed in Canadian dollars)

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

#### MEXICO, (Continued)

##### (c) 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; (the Company is negotiating with the owner to amend the period)
- (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%.

##### (d) 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.

##### (e) 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.

## **REYNA SILVER CORP.**

Notes to the Condensed Consolidated Interim Financial Statements

As at September 30, 2022

(Unaudited)

(Expressed in Canadian dollars)

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

#### **UNITED STATES**

##### **(f) 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.

- (i) 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 June 30, 2022, \$128,450 (US\$100,000) cash consideration was paid.)
- (ii) 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.

During the nine months ended September 30, 2022, the finder for this property agreed to waive certain finder's fee, resulting in a reduction of \$31,830 as the property acquisition cost.

#### **CANADA**

##### **(g) 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 notes 5 and 6).

**REYNA SILVER CORP.**

Notes to the Condensed Consolidated Interim Financial Statements

As at September 30, 2022

(Unaudited)

(Expressed in Canadian dollars)

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

	Mexico				Canada	USA	Total
	Batopilas	Guigui	La Reyna	Others	Trudeau	Medicine Springs	
<b>Exploration and evaluation assets</b>							
<b>Acquisition costs</b>							
As of January 1, 2021	\$ 597,262	\$ 3,394,361	\$ 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
<b>As of December 31, 2021</b>	<b>\$ 597,262</b>	<b>\$ 6,392,511</b>	<b>\$ 192,168</b>	<b>\$ 17,077</b>	<b>\$ -</b>	<b>\$ 162,281</b>	<b>\$ 7,361,299</b>
<b>Mineral exploration expenses for the year ended December 31, 2021</b>							
Consulting and reporting	\$ 7,551	\$ 30,587	\$ -	\$ -	\$ -	\$ -	\$ 38,138
Claim staking	-	-	-	-	-	-	-
Mineral taxes	17,630	73,398	45,744	-	-	214,871	351,643
Drilling	547,718	1,496,922	-	-	-	-	2,044,640
Geology and exploration	854,197	3,349,350	64,759	-	-	141,766	4,410,072
Geophysics	12,918	44,111	-	-	-	-	57,029
Other property related expenses	163,743	663,585	-	-	-	47,114	874,442
Permitting	-	-	-	-	-	5,217	5,217
Reimbursements from optionee	-	-	-	(20,000)	-	-	(20,000)
	<b>\$ 1,603,757</b>	<b>\$ 5,657,953</b>	<b>\$ 110,503</b>	<b>\$ (20,000)</b>	<b>\$ -</b>	<b>\$ 408,968</b>	<b>\$ 7,761,181</b>
<b>Cumulative mineral exploration expenses up to December 31, 2021</b>							
Consulting and reporting	\$ 13,941	\$ 289,888	\$ -	\$ -	\$ 4,500	\$ -	\$ 308,329
Claim staking	-	-	-	-	-	46,282	46,282
Mineral taxes	97,236	406,864	53,223	-	-	305,363	862,686
Drilling	549,042	1,500,649	-	-	-	-	2,049,691
Geology and exploration	1,020,974	3,854,914	72,991	-	-	180,971	5,129,850
Geophysics	12,918	49,828	-	-	-	-	62,746
Other property related expenses	181,724	755,366	-	-	-	55,447	992,537
Permitting	-	-	-	-	-	5,217	5,217
Reimbursements from optionee	-	-	-	(20,000)	-	-	(20,000)
	<b>\$ 1,875,835</b>	<b>\$ 6,857,509</b>	<b>\$ 126,214</b>	<b>\$ (20,000)</b>	<b>\$ 4,500</b>	<b>\$ 593,280</b>	<b>\$ 9,437,338</b>

**REYNA SILVER CORP.**

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

	Mexico				Canada	USA	Total
	Batopilas	Guigui	La Reyna	Others	Trudeau	Medicine Springs	
<b>Exploration and evaluation assets</b>							
<b>Acquisition costs</b>							
<b>As of January 1, 2022</b>	\$ 597,262	\$ 6,392,511	\$ 192,168	\$ 17,077	\$ -	\$ 162,281	\$ 7,361,299
Addition during the period	-	1,818,000	123,344	-	-	(31,830)	1,909,514
<b>As of September 30, 2022</b>	<b>\$ 597,262</b>	<b>\$ 8,210,511</b>	<b>\$ 315,512</b>	<b>\$ 17,077</b>	<b>\$ -</b>	<b>\$ 130,451</b>	<b>\$ 9,270,813</b>
<b>Mineral exploration expenses for the period ended September 30, 2022</b>							
Consulting and reporting	\$ 5,804	\$ 7,094	\$ -	\$ -	\$ -	\$ -	\$ 12,898
Mineral taxes	27,977	114,902	7,255	-	-	130,134	280,268
Drilling	285,472	348,911	278	-	-	643,784	1,278,445
Geology and exploration	468,253	600,321	21,654	-	-	37,682	1,127,910
Geophysics	84,181	102,888	-	-	-	-	187,069
Other property related expenses	49,533	37,697	-	-	-	24,414	111,644
Permitting	-	-	-	-	-	21,916	21,916
Reclamation	2,064	2,522	-	-	-	-	4,586
Surface access	50,656	75,984	-	-	-	-	126,640
	<b>\$ 973,940</b>	<b>\$ 1,290,319</b>	<b>\$ 29,187</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 857,930</b>	<b>\$ 3,151,376</b>
<b>Cumulative mineral exploration expenses up to September 30, 2022</b>							
Consulting and reporting	\$ 19,745	\$ 296,982	\$ -	\$ -	\$ 4,500	\$ -	\$ 321,227
Claim staking	-	-	-	-	-	46,282	46,282
Mineral taxes	125,213	521,766	60,478	-	-	435,497	1,142,954
Drilling	834,514	1,849,560	278	-	-	643,784	3,328,136
Geology and exploration	1,489,227	4,455,235	94,645	-	-	218,653	6,257,760
Geophysics	97,099	152,716	-	-	-	-	249,815
Other property related expenses	231,257	793,063	-	-	-	79,861	1,104,181
Permitting	-	-	-	-	-	27,133	27,133
Reclamation	2,064	2,522	-	-	-	-	4,586
Surface access	50,656	75,984	-	-	-	-	126,640
Reimbursements from optionee	-	-	-	(20,000)	-	-	(20,000)
	<b>\$ 2,849,775</b>	<b>\$ 8,147,828</b>	<b>\$ 155,401</b>	<b>\$ (20,000)</b>	<b>\$ 4,500</b>	<b>\$ 1,451,210</b>	<b>\$ 12,588,714</b>

## REYNA SILVER CORP.

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### 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 4(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 (see note 4(h)). On April 13, 2022, Beyond Minerals began trading on the Canadian Securities Exchange and the investment was reclassified as marketable security (see note 6).

### 6. MARKETABLE SECURITIES

On April 13, 2022, Beyond Minerals began trading on the Canadian Securities Exchange. The shares are measured and presented at fair value using the observable market share price as at the date of the statements of financial position. The gain or loss as a result of the re-measurement is recorded through profit and loss ("FVTPL").

September 30, 2022	Number of Shares	Cost	Fair Value
Beyond Minerals Ltd.	1,000,000	\$ 100,000	\$ 140,000

	September 30, 2022
Net changes in fair value on marketable securities through profit and loss:	
Value at April 13, 2022	\$ 100,000
Change in unrealized gain	40,000
Value at September 30, 2022	\$ 140,000

Subsequent to September 30, 2022, the shares were sold at the price of \$0.15 per share (see note 14).

### 7. 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.



## REYNA SILVER CORP.

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### 7. SHARE CAPITAL (Continued)

#### b. Common share issuance (Continued)

During the year ended December 31, 2021: (Continued)

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 nine months ended September 30, 2022:

- (iii) The Company issued 155,843 common shares with a fair value of \$119,999 to its directors and officers for consulting services
- (iv) On June 24, 2022, the Company completed a non-brokered private placement by issuing 13,888,889 units ("Unit") at a price of \$0.36 per Unit for gross proceeds of \$5,000,000. 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 \$0.50, expiring on June 24, 2024. 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 \$326,452 cash finder's fee, issued 624,999 compensation options, each of which is exercisable into one Unit at a price of \$0.36 for a period of 24 months, expiring on June 24, 2024, and issued 284,105 finder's warrants, each of which is exercisable into one common share at a price of \$0.50 for a period of 24 months, expiring on June 24, 2024. The value of the compensation options was determined to be \$91,687 and the value of the finder's warrants was determined to be \$31,905 calculated using the Black-Scholes option pricing model. Another \$240,116 was also included as share issue costs.

- (v) On June 30, 2022, the Company issued 250,000 common shares with a fair value of \$78,750 to United Minerals pursuant to the mineral property option agreement (see note 4(b)).

#### 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. The final 445,232 escrow shares were released on June 10, 2022.

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 September 30, 2022, 3,622,951 common shares were held in escrow.

## REYNA SILVER CORP.

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### 7. SHARE CAPITAL (Continued)

#### d. Stock options

Stock option transactions and the number of stock options, including the compensation options and advisor options, for the nine months ended September 30, 2022 are summarized as follows:

Expiry date	Exercise price	December 31, 2020	Granted	Exercised	Expired / Cancelled	September 30, 2022				
June 3, 2022	\$ 0.20	375,000	-	(375,000)	-	-				
June 3, 2022	\$ 0.45	89,685	-	-	(89,685)	-				
March 30, 2024	\$ 1.00	130,000	-	-	-	130,000				
October 13, 2025	\$ 1.13	1,600,000	-	-	-	1,600,000				
January 12, 2026	\$ 1.03	502,400	-	-	-	502,400				
December 16, 2026	\$ 0.71	1,600,000	-	-	-	1,600,000				
September 13, 2029	\$ 0.57	187,500	-	-	-	187,500				
Options outstanding		4,484,585	-	(375,000)	(89,685)	4,019,900				
Options exercisable		4,409,585	-	-	-	4,019,900				
Weighted average exercise price	\$	0.85	\$	-	\$	0.20	\$	0.45	\$	0.92

As at September 30, 2022, the weighted average contractual remaining life of options is 3.67 years (December 31, 2021 – 4.00 years). The weighted average fair value of stock options granted during the nine months ended September 30, 2022 was \$Nil (September 30, 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 nine months ended September 30, 2022 and 2021 were as follows:

	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

**REYNA SILVER CORP.**

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

The continuity of warrants for the nine months ended September 30, 2022 is as follows:

Expiry date	Exercise price	December 31, 2021	Issued	Exercised	Expired	September 30, 2022
June 3, 2022	\$ 0.45	9,931,753	-	(923,000)	(9,008,753)	-
January 1, 2022	(a) \$ 0.75	2,755,000	-	-	(2,755,000)	-
July 1, 2022	(a) \$ 1.00	3,500,000	-	-	(3,500,000)	-
August 19, 2022	\$ 0.90	5,562,500	-	-	(5,562,500)	-
June 22, 2023	\$ 1.25	3,649,067	-	-	-	3,649,067
January 1, 2023	(a) \$ 1.25	-	4,000,000	-	-	4,000,000
June 24, 2024	\$ 0.50	-	6,944,443	-	-	6,944,443
Warrants outstanding		25,398,320	10,944,443	(923,000)	(20,826,253)	14,593,510
Weighted average exercise price		\$ 0.77	\$ 0.77	\$ 0.45	\$ 0.70	\$ 0.89

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

As at September 30, 2022, the weighted average contractual remaining life of warrants is 1.08 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(b)).

(b) Subsequent to December 31, 2021, 923,000 warrants were exercised.

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

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**7. 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 nine months ended September 30, 2022 and 2021 was as follows:

	2022	2021
Expected dividend yield	0.00%	0.00%
Expected stock price volatility	67.24%	77.55%
Risk-free interest rate	0.46%	0.37%
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 nine months ended September 30, 2022 is as follows:

Expiry date	Exercise price	December 31, 2020	Issued	Exercised	Expired	September 30, 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
June 24, 2024	(c) \$ 0.36	-	624,999	-	-	624,999
June 24, 2024	\$ 0.50	-	284,105	-	-	284,105
Finders warrants outstanding		2,035,327	909,104	-	(1,588,349)	1,356,082
Weighted average exercise price	\$	0.59	\$ 0.40	\$ -	\$ 0.53	\$ 0.54

(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 \$0.90 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.

(c) 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 \$0.50 for a period of 2 years.

As at September 30, 2022, the weighted average contractual remaining life of finder's warrants is 1.40 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

## REYNA SILVER CORP.

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### 7. SHARE CAPITAL (Continued)

#### f. Finder's Warrants (Continued)

- (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 \$0.90 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.

The weighted average assumptions used to estimate the fair value of finder's warrants for the nine months ended September 30, 2022 and 2021 were as follows:

	2022	2021
Expected dividend yield	0.00%	0.00%
Expected stock price volatility	74.65%	81.51%
Risk-free interest rate	0.81%	0.72%
Forfeiture rate	0.00%	0.00%
Expected life of options	2 years	2 years

### 8. LOSS PER SHARE

#### Basic and diluted loss per share

The calculation of basic and diluted loss per share for nine months ended September 30, 2022 was based on the loss attributable to common shareholders of \$5,255,638 (nine months ended September 30, 2021 – \$7,674,027) and a weighted average number of common shares outstanding of 107,548,050 (nine months ended September 30, 2021 – 94,928,383).

Diluted loss per share did not include the effect of the 14,593,510 warrants, 4,019,900 stock options and advisor options and 1,356,082 finders' warrants (September 30, 2021 – 26,355,820 warrants, 2,884,585 stock options and advisor options and 2,035,327 finders' warrants) since they were anti-dilutive.

## REYNA SILVER CORP.

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### 9. 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 nine months ended September 30, 2022

	Cash payments	Shares issued	Share-based payments	Total
Jorge Ramiro Monroy <sup>(1)</sup> Chief Executive Officer, Director	\$ 340,000	\$ 10,500	\$ -	\$ 350,500
Michael Wood <sup>(2)</sup> Chief Financial Officer, Director	\$ 156,000	\$ 10,499	\$ -	\$ 166,499
Peter Jones <sup>(3)</sup> Director	\$ 18,750	\$ 33,000	\$ -	\$ 51,750
Alex Langer <sup>(4)</sup> Director	\$ 15,000	\$ 33,000	\$ -	\$ 48,000
Evaristo Trevino <sup>(5)</sup> Director	\$ 11,250	\$ 33,000	\$ -	\$ 44,250
TOTAL:	\$ 541,000	\$ 119,999	\$ -	\$ 660,999

For the nine months ended September 30, 2021

	Cash payments	Shares issued	Share-based payments	Total
Jorge Ramiro Monroy <sup>(1)</sup> Chief Executive Officer, Director	\$ 225,000	\$ -	\$ -	\$ 225,000
Michael Wood <sup>(2)</sup> Chief Financial Officer, Director	\$ 90,000	\$ -	\$ -	\$ 90,000
Peter Jones <sup>(3)</sup> Director	\$ 18,750	\$ -	\$ -	\$ 18,750
Alex Langer <sup>(4)</sup> Director	\$ 15,000	\$ -	\$ -	\$ 15,000
Evaristo Trevino <sup>(5)</sup> Director	\$ 11,250	\$ -	\$ -	\$ 11,250
Ariel Navarro - Vice President of Exploration of the Company	\$ -	\$ 33,333	\$ -	\$ 33,333
TOTAL:	\$ 360,000	\$ 33,333	\$ -	\$ 393,333

(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.

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### 9. RELATED PARTY TRANSACTIONS, (Continued)

Related party transactions and balances:

Amounts in due to related parties:	Services for:	For the		As at	As at
		nine months ended	September 30	September 30,	December 31,
		2022	2021	2022	2021
Emerging Capital Markets <sup>(1)</sup>	Management fee and reimbursements	\$ 340,000	\$ 225,000	\$ 29,148	\$ -
Reyna Silver Hong Kong Limited <sup>(2)</sup>	Management fee	-	60,000	-	-
Athena Jade Limited <sup>(3)</sup>	Management fee	156,000	30,000	-	-
Michael Wood	Expense reimbursements	-	-	7,378	-
Andros Capital Corp. <sup>(4)</sup>	Management fee and consulting fee	15,000	15,000	-	-
Alex Langer	Expense reimbursements	-	-	8,693	-
Cassiar Gold Corp. <sup>(5)</sup>	Rent	6,084	-	1,521	-
Total		\$ 517,084	\$ 330,000	\$ 46,740	\$ -

(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.

(5) Michael Wood is a director of this company.

### 10. COMMITMENTS

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

## REYNA SILVER CORP.

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### 11. FINANCIAL INSTRUMENTS

The fair value of the Company's cash and cash equivalents, receivables (excluding sales tax), marketable securities, trade and other payables and due to related parties 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.



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### **11. 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 assets of approximately 28,866,000 Mexican pesos and net monetary liability of approximate 1,076,000 US dollars. A 1% change in the absolute rate of exchange in Mexican pesos and US dollar would affect its net loss by approximately \$32,000.

#### (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.

### **12. CAPITAL MANAGEMENT**

The Company manages its cash and cash equivalents, common shares, warrants, finder's warrants and share purchase options as capital (see Note 7). 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 September 30, 2022

(Unaudited)

(Expressed in Canadian dollars)

**13. SEGMENTED FINANCIAL INFORMATION**

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

	<b>September 30, 2022</b>	<b>December 31, 2021</b>
Non-current assets		
Mexico	\$ 11,057,678	\$ 8,427,864
USA	161,344	162,281
Canada	-	100,000
	<u>\$ 11,219,022</u>	<u>\$ 8,690,145</u>
	<b>For the nine months ended September 30</b>	
	<b>2022</b>	<b>2021</b>
Mineral exploration expenses		
Mexico	\$ 2,293,446	\$ 4,794,291
USA	857,930	272,831
	<u>\$ 3,151,376</u>	<u>\$ 5,067,122</u>

**14. SUBSEQUENT EVENT**

On November 14, 2022, 1,000,000 common shares of Beyond Minerals were sold at the price of \$0.15 per share for a total purchase price of \$150,000.