



REYNA SILVER

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

**Condensed Consolidated Interim Financial Statements**

**For the three months ended  
March 31, 2024**

**(Unaudited)**

1900  
1040 West Georgia Street  
Vancouver, British Columbia, Canada V6E 4H3

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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	March 31, 2024	December 31, 2023
		(Unaudited)	(Audited)
<b>ASSETS</b>			
<b>Current</b>			
Cash and cash equivalents		\$ 2,974,294	\$ 96,110
Receivables		48,330	6,776
Prepaid expenses		196,378	65,897
		<u>3,219,002</u>	<u>168,783</u>
<b>Non-current</b>			
Equipment	4	54,273	55,348
Exploration and evaluation assets	5	12,233,860	11,933,033
Exploration deposit	6	76,670	74,837
VAT receivables		2,632,352	2,513,713
		<u>14,997,155</u>	<u>14,576,931</u>
		<u>\$ 18,216,157</u>	<u>\$ 14,745,714</u>
<b>LIABILITIES</b>			
<b>Current</b>			
Trade and other payables		\$ 209,857	\$ 464,923
Due to related parties	9	54,809	111,546
		<u>264,666</u>	<u>576,469</u>
<b>SHAREHOLDERS' EQUITY</b>			
Common shares	7	45,236,803	41,183,244
Reserves	7	9,212,499	8,807,661
Deficit		(36,497,811)	(35,821,660)
		<u>17,951,491</u>	<u>14,169,245</u>
		<u>\$ 18,216,157</u>	<u>\$ 14,745,714</u>

**Nature of Operations and Going Concern (Note 1)**  
**Events After the Reporting Period (Note 16)**

These condensed consolidated interim financial statements are authorized for issue by the Board of Directors on May 30, 2024.

They are signed on the Company's behalf by:

***"Alexander Langer"***

Alexander Langer, Director

***"Jorge Ramiro Monroy"***

Jorge Ramiro Monroy, Director

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

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

		<b>For the three months ended March 31</b>	
	<b>Note</b>	<b>2024</b>	<b>2023</b>
Exploration expenses	5	\$ 204,124	\$ 638,105
		204,124	638,105
Administrative expenses			
Accounting and audit		26,296	27,630
Bank charges		1,776	2,133
Consulting		81,863	70,831
Legal		4,250	96,101
Management and director fees	9	123,750	120,000
Marketing and shareholders communication		172,096	207,831
Office	9	16,784	34,181
Transfer agent, listing and filing fees		16,695	40,439
Foreign exchange loss		9,696	305
		453,206	599,451
Other item			
Property investigation costs		18,821	37,602
Net loss		676,151	1,275,158
Other comprehensive (income)			
Cumulative translation adjustment		(201,414)	(302,839)
Total comprehensive loss for the period		\$ 474,737	\$ 972,319
Basic and diluted loss per share		\$ 0.00	\$ 0.01
Weighted average number of common shares outstanding		161,856,954	135,940,016

*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, 2022</b>	<b>(Audited)</b>	123,405,950	\$ 34,840,096	\$ 2,343,417	\$ 981,787	\$ 3,823,859	\$ 268,542	\$ 7,417,605	\$ (26,784,776)	\$ 15,472,925
Shares issued:										
Private placements	7(b)	26,705,720	7,344,073	-	-	667,643	-	667,643	-	8,011,716
Share issue costs	7(b)	-	(1,030,675)	-	202,094	-	-	202,094	-	(828,581)
Net loss and comprehensive loss		-	-	-	-	-	302,839	302,839	(1,275,158)	(972,319)
<b>Balance as at March 31, 2023</b>	<b>(Unaudited)</b>	150,111,670	41,153,494	2,343,417	1,183,881	4,491,502	571,381	8,590,181	(28,059,934)	21,683,741
Shares issued:										
Share issue costs	7(b)	-	1,000	-	-	-	-	-	-	1,000
For property acquisition	7(b)	125,000	28,750	-	-	-	-	-	-	28,750
Share-based payments	7(c)	-	-	44,365	-	-	-	44,365	-	44,365
Net loss and comprehensive loss		-	-	-	-	-	173,115	173,115	(7,761,726)	(7,588,611)
<b>Balance as at December 31, 2023</b>	<b>(Audited)</b>	150,236,670	41,183,244	2,387,782	1,183,881	4,491,502	744,496	8,807,661	(35,821,660)	14,169,245
Shares issued:										
Private placements	7(b)	38,333,334	4,530,328	-	-	69,672	-	69,672	-	4,600,000
Share issue costs	7(b)	-	(476,769)	-	133,752	-	-	133,752	-	(343,017)
Net loss and comprehensive loss		-	-	-	-	-	201,414	201,414	(676,151)	(474,737)
<b>Balance as at March 31, 2024</b>	<b>(Unaudited)</b>	<b>188,570,004</b>	<b>\$ 45,236,803</b>	<b>\$ 2,387,782</b>	<b>\$ 1,317,633</b>	<b>\$ 4,561,174</b>	<b>\$ 945,910</b>	<b>\$ 9,212,499</b>	<b>\$ (36,497,811)</b>	<b>\$ 17,951,491</b>

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 three months ended March 31</b>	
	<b>Note</b>	<b>2024</b>	<b>2023</b>
<b>Cash provided by (used in):</b>			
<b>Operating activities</b>			
Net loss		\$ (676,151)	\$ (1,275,158)
Items not involving cash:			
Depreciation expense included in exploration expenses	4	2,419	2,427
Foreign exchange loss		2,184	15,198
Changes in non-cash working capital items:			
Receivables		(41,554)	(21,833)
Prepaid expenses		(130,437)	119,100
VAT receivables		(7,712)	(68,494)
Trade and other payables		(297,908)	19,525
Due to related parties		(56,737)	17,988
Cash (used in) operating activities		(1,205,896)	(1,191,247)
<b>Investing activities</b>			
Exploration and evaluation assets		(215,477)	(309,546)
Cash (used in) investing activities		(215,477)	(309,546)
<b>Financing activities</b>			
Net proceeds from issuance of common shares	7	4,299,557	7,354,831
Cash provided by financing activities		4,299,557	7,354,831
<b>Net change in cash and cash equivalents</b>		2,878,184	5,854,038
<b>Cash and cash equivalents - beginning of the period</b>		96,110	2,024,660
<b>Cash and cash equivalents - end of the period</b>		\$ 2,974,294	\$ 7,878,698
<b>Supplemental disclosure with respect to cash flows:</b>			
Finder's warrants issuance pursuant to share issue costs		\$ 133,752	\$ 202,094
Exploration and evaluation assets included in accounts payable		-	(101,580)
Share issue costs included in accounts payable		42,574	171,696

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, 2024

(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 1900 – 1040 West Georgia Street, Vancouver, BC V6E 4H3.

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 material uncertainties cast significant doubt on the Company’s ability to continue as a going concern. 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,		December 31,	
	2024		2023	
Deficit	\$	(36,497,811)	\$	(35,821,660)
Working capital (deficiency)	\$	2,954,336	\$	(407,686)

### 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 Accounting Standards issued by the International Accounting Standards Board (“IASB”) and interpretations of the IFRS 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 Accounting Standards that are published at the time of preparation.



## REYNA SILVER CORP.

Notes to the Condensed Consolidated Interim Financial Statements

As at March 31, 2024

(Unaudited)

(Expressed in Canadian dollars)

### 3. MATERIAL ACCOUNTING POLICY INFORMATION

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, 2023.

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, 2023. 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, 2024 are not necessarily indicative of the results that may be expected for the current fiscal year ending December 31, 2024.

#### New accounting standards and interpretations

There were no new accounting standards and interpretations adopted during the three months ended March 31, 2024 that had a material impact on these condensed consolidated interim financial statements.

Pronouncements that are not applicable or that do not have a significant impact on the Company have not been included in these condensed consolidated interim financial statements.

### 4. EQUIPMENT

	<b>Field equipment</b>	
<b>Cost</b>		
Balance, December 31, 2022	\$	68,019
Exchange adjustment		(1,597)
Balance, December 31, 2023	\$	66,422
Exchange adjustment		1,627
Balance, March 31, 2024	\$	68,049
<b>Accumulated depreciation</b>		
Balance, December 31, 2022	\$	1,620
Depreciation		9,686
Exchange adjustment		(232)
Balance, December 31, 2023	\$	11,074
Depreciation		2,419
Exchange adjustment		283
Balance, March 31, 2024	\$	13,776
<b>Carrying amounts</b>		
As at December 31, 2023	\$	55,348
As at March 31, 2024	\$	54,273

During the three months ended March 31, 2024, the Company included depreciation of \$2,419 (2022 - \$2,427) in exploration expenses in the statement of comprehensive loss (Note 5).

## REYNA SILVER CORP.

Notes to the Condensed Consolidated Interim Financial Statements

As at March 31, 2024

(Unaudited)

(Expressed in Canadian dollars)

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

#### MEXICO

##### (a) Batopilas Property

The Company acquired 100% interest of the Batopilas Property pursuant to Asset Purchase and Sale Agreement (the "Agreement") with MAG Silver Corp. ("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 were subject to a voluntary pooling arrangement in accordance with the Agreement (Note 9c).

The Batopilas property is subject to a 4.5% net smelter royalty ("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 Agreement with MAG Silver on June 29, 2018. The Guigui Property, consisting of 7 concessions (4,553.7034 hectares), is located in Chihuahua Mexico.

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:

<b>Date/Period</b>	<b>Shares</b>	<b>Warrants</b>
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

## REYNA SILVER CORP.

Notes to the Condensed Consolidated Interim Financial Statements

As at March 31, 2024

(Unaudited)

(Expressed in Canadian dollars)

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

#### MEXICO, (Continued)

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

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 (paid in 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.

The Guigui property is subject to a 2.5% NSR payable to the underlying owner with a right of first refusal.

##### (c) La Reyna Property

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

During the year ended December 31, 2023, the Company terminated the option agreement and wrote off the acquisition costs of \$362,960.

##### (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 March 31, 2024

(Unaudited)

(Expressed in Canadian dollars)

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### 5. 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") to acquire an 80% interest in the Medicine Springs Property, located in Elko County, Nevada.

On December 14, 2022, the option agreement was superseded by an Acquisition Agreement whereby Northern Lights agreed to sell to the Company its option to acquire a 100% interest in the Medicine Springs Property. Pursuant to the Acquisition Agreement, the Company agreed to the following terms:

- (i) Assuming all of Northern Lights' obligations under the underlying option agreement with the property owners (the "Optionors");
- (ii) Paying Northern Lights US\$100,000 in cash (paid US\$25,000 in fiscal 2022 and US\$75,000 in fiscal 2023);
- (iii) Issuing 6,000,000 common shares of the Company to Northern Lights (the "Consideration Shares") (issued in fiscal 2022); and
- (iv) Granting to Northern Lights a 1.0% Net Smelter Returns royalty ("NSR") on mining production received by the Company on the Medicine Springs Property (the "NLR Royalty").

The Acquisition Agreement provides the Company at any time the option to buy back one-half of the NLR Royalty by paying Northern Lights US\$2,500,000.

The Consideration Shares are subject to contractual resale restrictions over a 24-month period with an initial 6-month lock up and release 25% every 6 months after that.

In connection with the Acquisition Agreement, the Company paid a finder's fee of 300,000 common shares (issued in fiscal 2022) and US\$5,000 in cash (paid in fiscal 2023).

The Optionors and the Company subsequently agreed to amend the underlying option agreement pursuant to amending agreements dated March 30, 2023, September 14, 2023, November 10, 2023 and January 31, 2024. Per the terms of the amended option agreement, in order to exercise the option and acquire a 100% interest in the property, the Company is required to fulfill the following:

- (i) Make a cash payment of US \$150,000 to the Optionors within 3 days of the execution of the amendment dated March 30, 2023 (paid);
- (ii) Make a cash payment of US \$150,000 to the Optionors on or before September 15, 2023 (paid);
- (iii) Pay to the Optionors an amendment fee in the aggregate amount of US \$5,000 (paid);
- (iv) Make a cash payment of US \$150,000 to the Optionors on or before March 1, 2024 (paid);
- (v) Make a cash payment of US \$150,000 to the Optionors on or before October 1, 2024;
- (vi) Make a cash payment of US \$225,000 to the Optionors and issue to the Optionors such number of common shares of the Company having a market value equal to US \$300,000 on or before February 1, 2025;
- (vii) Make a cash payment of US \$150,000 to the Optionors on or before October 1, 2025;
- (viii) Incur additional expenditures on the development of the property such that the total aggregate expenditures on the property is not less than US \$2,700,000 on or before December 31, 2023 (Incurred);
- (ix) Paying such amount as is required to maintain the mineral claims included in the property in good standing on or before July 15, 2023 (paid).

## REYNA SILVER CORP.

Notes to the Condensed Consolidated Interim Financial Statements

As at March 31, 2024

(Unaudited)

(Expressed in Canadian dollars)

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

#### UNITED STATES, (Continued)

##### (g) Gryphon Summit Property (Nevada)

On August 29, 2023, the Company and Reyna Gold entered into a property option agreement (the "Agreement") with Golden Gryphon USA Inc. ("Gryphon") to jointly earn up to a 70% interest in the Gryphon Summit Property, located in Eureka and Elko counties, Nevada.

The Company and Reyna Gold have formed an unincorporated joint venture for the purpose of holding the Option (the "Reyna JV"). The Option is subject to the Reyna JV performing the following by April 30, 2027:

- (i) Expend a total of US\$9,500,000 on the property.
- (ii) Make cash payments to Gryphon in the aggregate amount of US\$1,100,000; and
- (iii) Issue a total of 1,200,000 common shares in the capital of the Company and 1,200,000 common shares in the capital of Reyna Gold to Gryphon. Upon completion of the Option, Gryphon and Reyna JV will enter a joint venture to continue exploration and development of the Project.

To complete its full 70% earn-in under the Agreement, Reyna JV must complete the following:

Date/Period	Cash Payments	Common Shares	Expenditures
On the Effective Date	US\$100,000 (paid)	None	None
With 5 business days of the acceptance of the agreement	None	125,000 (issued)	None
On or before April 30, 2024	US\$100,000 (subsequently paid)	None	US\$500,000 (subsequently completed)
On or before October 31, 2024	US\$100,000	None	None
On or before April 30, 2025	US\$150,000	125,000	US\$2,000,000
On or before October 31, 2025	US\$150,000	None	None
On or before April 30, 2026	US\$250,000	200,000	US\$3,000,000
On or before October 31, 2026	US\$250,000	None	None
On or before April 30, 2027	None	750,000	US\$4,000,000

Gryphon will be granted a 2% net smelter returns royalty on the Project (subject to a 50% buy down right to a 1% royalty), except that the part of the property comprising the eight patented mining claims will be subject only to a 1% net smelter returns royalty (not subject to further buy-down) (the "NSR Agreement"). The terms of the NSR Agreement will be negotiated on or before April 30, 2025.

#### CANADA

##### (h) Trudeau Gold Property (Quebec)

The Company held a 1.0% NSR on the Trudeau Gold Property in the province of Quebec.

# REYNA SILVER CORP.

Notes to the Consolidated Financial Statements

As at March 31, 2024

(Unaudited)

(Expressed in Canadian dollars)

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

	Mexico				Canada Trudeau	USA		Total
	Batopilas	Guigui	La Reyna	Others		Medicine Springs	Gryphon Summit	
<b>Exploration and evaluation assets</b>								
<b>Acquisition costs</b>								
<b>As of January 1, 2023</b>	\$ 597,262	\$ 8,242,273	\$ 322,617	\$ 17,077	\$ -	\$ 2,383,163	\$ -	\$ 11,562,392
Addition during the period	-	-	-	-	-	419,477	96,715	516,192
Write-off of exploration and evaluation assets	-	-	(362,960)	-	-	-	-	(362,960)
Foreign currency translation	-	180,404	40,343	-	-	(3,338)	-	217,409
<b>As of December 31, 2023</b>	<b>\$ 597,262</b>	<b>\$ 8,422,677</b>	<b>\$ -</b>	<b>\$ 17,077</b>	<b>\$ -</b>	<b>\$ 2,799,302</b>	<b>\$ 96,715</b>	<b>\$ 11,933,033</b>
<b>Mineral exploration expenses for the year ended December 31, 2023</b>								
Claim staking	\$ -	\$ -	\$ -	\$ -	\$ -	10,140	\$ -	\$ 10,140
Mineral taxes	36,437	149,131	-	-	-	275,791	155,517	616,876
Depreciation	-	-	-	-	-	9,686	-	9,686
Drilling	113,463	22,524	-	-	-	1,499,588	34,089	1,669,664
Well drilling	-	-	-	-	-	487,505	-	487,505
Geochemistry	-	62,000	-	-	-	128,503	4,670	195,173
Geology and exploration	355,529	393,680	-	-	-	417,727	97,186	1,264,122
Geophysics	318,870	7,841	-	-	-	479,455	-	806,166
Other property related expenses	11,481	14,625	-	-	-	653,292	13,059	692,457
Permitting	-	-	-	-	-	15,002	7,589	22,591
Surface access	68,943	57,134	-	-	-	-	1,644	127,721
Trenching	-	-	-	-	-	328,830	-	328,830
	<b>\$ 904,723</b>	<b>\$ 706,935</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 4,305,519</b>	<b>\$ 313,754</b>	<b>\$ 6,230,931</b>
<b>Cumulative mineral exploration expenses up to December 31, 2023</b>								
Consulting and reporting	\$ 19,872	\$ 297,137	\$ -	\$ -	\$ 4,500	\$ -	\$ -	\$ 321,509
Claim staking	-	-	-	-	-	56,422	-	56,422
Mineral taxes	162,264	673,420	60,637	-	-	713,144	155,517	1,764,982
Depreciation	-	-	-	-	-	11,242	-	11,242
Drilling	961,573	1,891,206	284	-	-	3,436,009	34,089	6,323,161
Well drilling	-	-	-	-	-	487,505	-	487,505
Geochemistry	29,012	97,459	-	-	-	154,214	4,670	285,355
Geology and exploration	2,038,391	5,029,955	95,075	-	-	769,719	97,186	8,030,326
Geophysics	463,934	234,947	-	-	-	503,097	-	1,201,978
Other property related expenses	224,466	824,674	-	-	-	938,532	13,059	2,000,731
Permitting	-	-	-	-	-	44,033	7,589	51,622
Reclamation	2,109	2,578	-	-	-	-	-	4,687
Surface access	120,711	183,319	-	-	-	-	1,644	305,674
Trenching	-	-	-	-	-	578,600	-	578,600
Reimbursements from optionee	-	-	-	(20,000)	-	-	-	(20,000)
	<b>\$ 4,022,332</b>	<b>\$ 9,234,695</b>	<b>\$ 155,996</b>	<b>\$ (20,000)</b>	<b>\$ 4,500</b>	<b>\$ 7,692,517</b>	<b>\$ 313,754</b>	<b>\$ 21,403,794</b>

# REYNA SILVER CORP.

Notes to the Consolidated Financial Statements

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

	Mexico				Canada	USA		Total
	Batopilas	Guigui	La Reyna	Others	Trudeau	Medicine Springs	Gryphon Summit	
<b>Exploration and evaluation assets</b>								
<b>Acquisition costs</b>								
<b>As of January 1, 2024</b>	\$ 597,262	\$ 8,422,677	\$ -	\$ 17,077	\$ -	\$ 2,799,302	\$ 96,715	\$ 11,933,033
Addition during the period	-	-	-	-	-	215,477	-	215,477
Foreign currency translation	-	71,622	-	-	-	13,728	-	85,350
<b>As of March 31, 2024</b>	\$ 597,262	\$ 8,494,299	\$ -	\$ 17,077	\$ -	\$ 3,028,507	\$ 96,715	\$ 12,233,860
<b>Mineral exploration expenses for the period ended March 31, 2024</b>								
Consulting and reporting	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 19,556	\$ 19,556
Depreciation	-	-	-	-	-	2,419	-	2,419
Drilling	9,527	4,596	-	-	-	15,618	260	30,001
Geochemistry	-	-	-	-	-	73	1,112	1,185
Geology and exploration	11,351	5,143	-	-	-	26,546	73,833	116,873
Geophysics	-	-	-	-	-	2,339	-	2,339
Other property related expenses	4,495	2,037	-	-	-	21,482	3,737	31,751
	\$ 25,373	\$ 11,776	\$ -	\$ -	\$ -	\$ 68,477	\$ 98,498	\$ 204,124
<b>Cumulative mineral exploration expenses up to March 31, 2024</b>								
Consulting and reporting	\$ 19,872	\$ 297,137	\$ -	\$ -	\$ 4,500	\$ -	\$ 19,556	\$ 341,065
Claim staking	-	-	-	-	-	56,422	-	56,422
Mineral taxes	162,264	673,420	60,637	-	-	713,144	155,517	1,764,982
Depreciation	-	-	-	-	-	13,661	-	13,661
Drilling	971,100	1,895,802	284	-	-	3,451,627	34,349	6,353,162
Well drilling	-	-	-	-	-	487,505	-	487,505
Geochemistry	29,012	97,459	-	-	-	154,287	5,782	286,540
Geology and exploration	2,049,742	5,035,098	95,075	-	-	796,265	171,019	8,147,199
Geophysics	463,934	234,947	-	-	-	505,436	-	1,204,317
Other property related expenses	228,961	826,711	-	-	-	960,014	16,796	2,032,482
Permitting	-	-	-	-	-	44,033	7,589	51,622
Reclamation	2,109	2,578	-	-	-	-	-	4,687
Surface access	120,711	183,319	-	-	-	-	1,644	305,674
Trenching	-	-	-	-	-	578,600	-	578,600
Reimbursements from optionee	-	-	-	(20,000)	-	-	-	(20,000)
	\$ 4,047,705	\$ 9,246,471	\$ 155,996	\$ (20,000)	\$ 4,500	\$ 7,760,994	\$ 412,252	\$ 21,607,918

## REYNA SILVER CORP.

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### 6. DEPOSITS

As of March 31, 2024, the Company has a US\$56,583 (\$76,670) reclamation bond with Bureau of Land Management for the Medicine Springs property (December 31, 2023 – US\$56,583 (\$74,837)).

### 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, 2023:

- (i) On February 13, 2023, the Company completed the first tranche of a non-brokered private placement by issuing 16,666,000 units ("Unit") at a price of \$0.30 per Unit for gross proceeds of \$4,999,800 and on February 23, 2023, the Company completed the second tranche of a non-brokered private placement by issuing 10,039,720 units ("Unit") at a price of \$0.30 per Unit for gross proceeds of \$3,011,916. Each Unit consists of one common share and one common share purchase warrant. Each whole warrant entitles the holder to purchase one additional common share at a price of \$0.40 until February 13, 2026 for the first tranche and until February 23, 2026 for the second tranche. Under the residual value approach, \$667,643 was assigned to the warrant component of the Units.

In connection with the private placement, the Company paid a total of \$527,833 cash finder's fee, issued 1,166,620 compensation warrants, each of which is exercisable into one Unit at a price of \$0.30 until February 13, 2025 and issued 686,572 compensation warrants, each of which is exercisable into one Unit at a price of \$0.30 until February 23, 2025. Each Unit consists of one common share and one common share purchase warrant. Each warrant will then entitle the holder to purchase one additional common share at a price of \$0.40 until February 13, 2026 for the first tranche and until February 23, 2026 for the second tranche. The value of the compensation warrants was determined to be \$202,094 calculated using the Black-Scholes option pricing model. Another \$299,748 paid in cash was also included as share issue costs.

- (ii) On December 14, 2023, the Company issued 125,000 common shares with a fair value of \$28,750 to Gryphon pursuant to the property option agreement (see note 5(g)).



## REYNA SILVER CORP.

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### 7. SHARE CAPITAL, (Continued)

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

During the three months ended March 31, 2024:

- (i) On February 26, 2024, the Company completed the first tranche of a non-brokered private placement by issuing 13,934,367 units ("Unit") at a price of \$0.12 per Unit for gross proceeds of \$1,672,124. On March 6, 2024, the Company completed the second tranche of a brokered private placement by issuing 20,642,276 Units for gross proceeds of \$2,477,073 and on March 13, 2024, the Company completed the third and final tranche of a brokered private placement by issuing 3,756,691 Units for gross proceeds of \$450,803. Each Unit consists of one common share and one common share purchase warrant. Each warrant entitles the holder to purchase one additional common share at a price of \$0.20 until February 26, 2027 for the first tranche, until March 6, 2027 for the second tranche, and until March 13, 2027 for the third tranche. Under the residual value approach, \$69,672 was assigned to the warrant component of the Units.

In connection with the three tranches of the private placements, the Company paid a total of \$269,464 cash finder's fee and issued the following compensation warrants exercisable into one common share at a price of \$0.12 for a period of 3 years: 926,336 compensation warrants until February 26, 2027, 1,080,490 compensation warrants until March 6, 2027, and 238,712 compensation warrants March 13, 2027. The value of the compensation warrants was determined to be \$133,752 calculated using the Black-Scholes option pricing model. Another \$73,553 paid in cash was also included as share issue costs.

#### c. 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, 2024 are summarized as follows:

Expiry date	Exercise price	December 31, 2023	Granted	Exercised	Expired / Cancelled	March 31, 2024		
March 30, 2024	\$ 1.00	130,000	-	-	(130,000)	-		
September 8, 2025	\$ 0.30	950,000	-	-	-	950,000		
October 13, 2025	\$ 1.13	1,600,000	-	-	-	1,600,000		
January 12, 2026	\$ 1.03	497,400	-	-	-	497,400		
December 16, 2026	\$ 0.71	1,600,000	-	-	-	1,600,000		
September 13, 2029	\$ 0.57	187,500	-	-	-	187,500		
Options outstanding		4,964,900	-	-	(130,000)	4,834,900		
Options exercisable		4,964,900	-	-	-	4,834,900		
Weighted average exercise price	\$	0.80	\$	-	\$	1.00	\$	0.80

**REYNA SILVER CORP.**

Notes to the Consolidated Financial Statements

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(Unaudited)

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**7. SHARE CAPITAL, (Continued)****c. Stock options, (Continued)**

Stock option transactions and the number of stock options, including the compensation options and advisor options, for the year ended December 31, 2023 are summarized as follows:

Expiry date	Exercise price	December 31, 2022	Granted	Exercised	Expired / Cancelled	December 31, 2023
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	497,400	-	-	-	497,400
December 16, 2026	\$ 0.71	1,600,000	-	-	-	1,600,000
September 13, 2029	\$ 0.57	187,500	-	-	-	187,500
September 8, 2025	\$ 0.30	-	950,000	-	-	950,000
Options outstanding		4,014,900	950,000	-	-	4,964,900
Options exercisable		4,014,900	950,000	-	-	4,964,900
Weighted average exercise price	\$	0.92	\$ 0.30	\$	-	\$ 0.80

As at March 31, 2024, the weighted average contractual remaining life of options is 2.08 years (December 31, 2023 – 2.28 years). The weighted average fair value of stock options granted during the three months ended March 31, 2024 was \$Nil (March 31, 2023 - \$Nil). The weighted average fair value of stock options granted during the three months ended March 31, 2024 was \$Nil (March 31, 2023 - \$Nil).

The weighted average assumptions used to estimate the fair value of options for the three months ended March 31, 2024 and 2023 were as follows:

	2024	2023
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

**d. Warrants**

The continuity of warrants for the three months ended March 31, 2024 is as follows:

Expiry date	Exercise price	December 31, 2023	Issued	Exercised	Expired	March 31, 2024
June 24, 2024	\$ 0.50	6,944,443	-	-	-	6,944,443
February 13, 2026	\$ 0.40	16,666,000	-	-	-	16,666,000
February 23, 2026	\$ 0.40	10,039,720	-	-	-	10,039,720
February 26, 2027	\$ 0.20	-	13,934,367	-	-	13,934,367
March 6, 2027	\$ 0.20	-	20,642,276	-	-	20,642,276
March 13, 2027	\$ 0.20	-	3,756,691	-	-	3,756,691
Warrants outstanding		33,650,163	38,333,334	-	-	71,983,497
Weighted average exercise price	\$	0.42	\$ 0.20	\$	-	\$ 0.30

**REYNA SILVER CORP.**

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**7. SHARE CAPITAL, (Continued)****d. Warrants, (Continued)**

The continuity of warrants for the year ended December 31, 2023 is as follows:

Expiry date	Exercise price	December 31, 2022	Issued	Exercised	Expired	December 31, 2023
January 1, 2023 (a)	\$ 1.25	4,000,000	-	-	(4,000,000)	-
June 22, 2023	\$ 1.25	3,649,067	-	-	(3,649,067)	-
June 24, 2024	\$ 0.50	6,944,443	-	-	-	6,944,443
February 13, 2026	\$ 0.40	-	16,666,000	-	-	16,666,000
February 23, 2026	\$ 0.40	-	10,039,720	-	-	10,039,720
Warrants outstanding		14,593,510	26,705,720	-	(7,649,067)	33,650,163
Weighted average exercise price	\$	0.89	\$ 0.40	\$ -	\$ 1.25	\$ 0.42

(a) These warrants were granted pursuant to the mineral property option agreement (see note 5(b)).

As at March 31, 2024, the weighted average contractual remaining life of warrants is 2.28 years (December 31, 2023 – 1.79 years).

**e. Finder's Warrants**

The continuity of finder's warrants for the three months ended March 31, 2024 is as follows:

Expiry date	Exercise price	December 31, 2023	Issued	Exercised	Expired	March 31, 2024
June 24, 2024 (b)	\$ 0.36	624,999	-	-	-	624,999
June 24, 2024	\$ 0.50	284,105	-	-	-	284,105
February 13, 2025 (c)	\$ 0.30	1,166,620	-	-	-	1,166,620
February 23, 2025 (c)	\$ 0.30	686,572	-	-	-	686,572
February 26, 2027	\$ 0.12	-	926,336	-	-	926,336
March 6, 2027	\$ 0.12	-	1,080,490	-	-	1,080,490
March 13, 2027	\$ 0.12	-	238,712	-	-	238,712
Finders warrants outstanding		2,762,296	2,245,538	-	-	5,007,834
Weighted average exercise price	\$	0.33	\$ 0.12	\$ -	\$ -	\$ 0.24

The continuity of finder's warrants for the year ended December 31, 2023 is as follows:

Expiry date	Exercise price	December 31, 2022	Issued	Exercised	Expired	December 31, 2023
June 22, 2023 (a)	\$ 0.83	446,978	-	-	(446,978)	-
June 24, 2024 (b)	\$ 0.36	624,999	-	-	-	624,999
June 24, 2024	\$ 0.50	284,105	-	-	-	284,105
February 13, 2025 (c)	\$ 0.30	-	1,166,620	-	-	1,166,620
February 23, 2025 (c)	\$ 0.30	-	686,572	-	-	686,572
Finders warrants outstanding		1,356,082	1,853,192	-	(446,978)	2,762,296
Weighted average exercise price	\$	0.54	\$ 0.30	\$ -	\$ 0.83	\$ 0.33

## REYNA SILVER CORP.

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### 7. SHARE CAPITAL, (Continued)

#### e. 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 \$1.25 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 \$0.50 for a period of 2 years.
- (c) Each compensation warrant is exercised into one common share and one warrant, where each full warrant is then exercisable into one common share at \$0.40 for a period of 3 years.

As at March 31, 2024, the weighted average contractual remaining life of finder's warrants is 1.68 years (December 31, 2023 – 0.92 years).

The weighted average assumptions used to estimate the fair value of finder's warrants for the three months ended March 31, 2024 and 2023 were as follows:

	2024	2023
Expected dividend yield	0.00%	0.00%
Expected stock price volatility	74.39% - 74.49%	73.53% - 74.01%
Risk-free interest rate	3.61% - 3.76%	3.99% - 4.09%
Forfeiture rate	0.00%	0.00%
Expected life of finder's warrants	3 years	2 years

### 8. LOSS PER SHARE

#### Basic and diluted loss per share

The calculation of basic and diluted loss per share for the three months ended March 31, 2024 was based on the loss attributable to common shareholders of \$676,151 (three months ended March 31, 2023 – \$1,275,158) and a weighted average number of common shares outstanding of 161,856,954 (three months ended March 31, 2023 – 135,940,016).

Diluted loss per share did not include the effect of 71,983,497 warrants, 4,834,900 stock options and advisor options and 5,007,834 finders' warrants (March 31, 2023 – 37,299,230 warrants, 4,014,900 stock options and advisor options and 3,209,274 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 three months ended March 31, 2024

	Cash payments	Shares issued	Share-based payments	Total
Jorge Ramiro Monroy <sup>(1)</sup> Chief Executive Officer, Director	\$ 75,000	\$ -	\$ -	\$ 75,000
Michael Wood <sup>(2)</sup> Chief Financial Officer, Director	\$ 30,000	\$ -	\$ -	\$ 30,000
Peter Jones <sup>(3)</sup> Director	\$ 6,250	\$ -	\$ -	\$ 6,250
Alex Langer <sup>(4)</sup> Director	\$ 5,000	\$ -	\$ -	\$ 5,000
Evaristo Trevino <sup>(5)</sup> Director	\$ 3,750	\$ -	\$ -	\$ 3,750
Carmen Amezcuita <sup>(6)</sup> Director	\$ 3,750	\$ -	\$ -	\$ 3,750
TOTAL:	\$ 123,750	\$ -	\$ -	\$ 123,750

For the three months ended March 31, 2023

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

(6) Carmen Amezcuita became a director of the Company effective December 30, 2022. Carmen Amezcuita's director fee was paid through Amezcuita Management Inc.

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

Related party transactions and balances:

Services for:	For the		Amounts in due to related parties		
	three months ended March 31		As at	As at	
	2024	2023	March 31, 2024	December 31, 2023	
Emerging Capital Markets <sup>(1)</sup>	Management fee and reimbursements	\$108,075 <sup>(7)</sup>	\$ 86,069 <sup>(8)</sup>	\$ 10,278	\$ 66,954
Athena Jade Limited <sup>(2)</sup>	Management fee	30,000	30,000	-	20,000
Andros Capital Corp. <sup>(3)</sup>	Director fee and consulting fee	5,000	5,000	-	5,250
Peter Jones	Director fee	6,250	6,250	-	6,250
Evaristo Trevino	Director fee	3,750	3,750	-	3,750
Cassiar Gold Corp. <sup>(4)</sup>	Rent	-	4,563	-	3,042
Amezquita Management Inc. <sup>(5)</sup>	Director fee	3,750	-	-	6,300
Reyna Gold Corp <sup>(6)</sup>	Reimbursements	-	-	44,531	-
Total		\$ 156,825	\$ 135,632	\$ 54,809	\$ 111,546

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

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

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

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

(5) Carmen Amezcuita is the owner of this private company.

(6) A company with directors in common.

(7) Included in this amount is \$33,075 related to expense reimbursements.

(8) Included in this amount is \$11,069 related to expense reimbursements.

### 10. COMMITMENTS

- a. The Company is committed to issue a total of 1,188,681 common shares to its directors, officers and consultants for consulting and geological consulting services.
- b. On December 16, 2022, the Company entered into a Collaborative Research Agreement with the University of British Columbia pursuant to which the Company is required to make the payments as follows:
  - \$31,000 on the Effective date of the agreement (paid);
  - \$31,000 on the first anniversary of the Effective date; and
  - \$31,000 on the second anniversary of the Effective date.

### 11. FINANCIAL INSTRUMENTS

The fair value of the Company's cash and cash equivalents, receivables (excluding sales tax), exploration deposit, 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.

## REYNA SILVER CORP.

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### 11. FINANCIAL INSTRUMENTS, (Continued)

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 assets or liabilities 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.

#### (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 31,941,000 Mexican pesos and net monetary assets of approximately US\$769,000. A 1% change in the absolute rate of exchange in Mexican pesos and US dollar would affect its net loss by approximately \$1,000.

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### 11. FINANCIAL INSTRUMENTS, (Continued)

#### (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.

### 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>March 31, 2024</b>		<b>December 31, 2023</b>
Non-current assets			
Mexico	\$ 11,740,990	\$	11,550,729
USA	3,256,165		3,026,202
	<u>\$ 14,997,155</u>	<u>\$</u>	<u>14,576,931</u>
		<b>For the</b>	
		<b>three months ended March 31</b>	
		<b>2024</b>	<b>2023</b>
Mineral exploration expenses			
Mexico	\$ 37,149	\$	326,083
USA	166,975		312,022
	<u>\$ 204,124</u>	<u>\$</u>	<u>638,105</u>



## REYNA SILVER CORP.

Notes to the Consolidated Financial Statements

As at March 31, 2024

(Unaudited)

(Expressed in Canadian dollars)

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### 14. EVENTS AFTER THE REPORTING PERIOD

- (a) On May 3, 2024, the Company completed the first tranche of a non-brokered private placement by issuing 9,078,750 units ("Unit") at a price of \$0.16 per Unit for gross proceeds of \$1,452,600, and on May 9, 2024, the Company completed the second tranche of a brokered private placement by issuing 1,987,500 Units for gross proceeds of \$318,000. Each Unit consists of one common share and one common share purchase warrant. Each warrant entitles the holder to purchase one additional common share at a price of \$0.24 until May 3, 2026 for the first tranche and until May 9, 2026 for the second tranche. Under the residual value approach, \$45,394 was assigned to the warrant component of the Units.

In connection with the private placement, the Company paid a total of \$117,222 cash finder's fee, issued 597,013 compensation warrants, each of which is exercisable into one common share at a price of \$0.16 until May 3, 2026 and issued 135,625 compensation warrants, each of which is exercisable into one common share at a price of \$0.16 until May 9, 2026.

- (b) Subsequent to March 31, 2024, 45,000 finder's warrants were exercised at the price of \$0.12.