



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

**Condensed Consolidated Interim Financial Statements**

**For the nine months ended  
September 30, 2024**

**(Unaudited)**

410-325 Howe Street  
Vancouver, British Columbia, Canada  
V6C 1Z7

## Contents

	Page
Notice of No Auditor Review of Interim Financial Statements	3
Condensed Consolidated Interim Statements of Financial Position	4
Condensed Consolidated Interim Statements of Comprehensive Loss	5
Condensed Consolidated Interim Statements of Changes in Shareholders' Equity	6
Condensed Consolidated Interim Statements of Cash Flows	7
Notes To Condensed Consolidated Interim Financial Statements	8-29

## **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, 2024 (Unaudited)	December 31, 2023 (Audited)
<b>ASSETS</b>			
<b>Current</b>			
Cash and cash equivalents		\$ 259,634	\$ 96,110
Receivables		11,934	6,776
Due from related party	9	287,766	-
Prepaid expenses		698,606	65,897
		<u>1,257,940</u>	<u>168,783</u>
<b>Non-current</b>			
Equipment	4	97,580	55,348
Exploration and evaluation assets	5	12,082,361	11,933,033
Exploration deposit	6	127,374	74,837
VAT receivables		2,227,171	2,513,713
		<u>14,534,486</u>	<u>14,576,931</u>
		<u>\$ 15,792,426</u>	<u>\$ 14,745,714</u>
<b>LIABILITIES</b>			
<b>Current</b>			
Trade and other payables		\$ 610,388	\$ 464,923
Due to related parties	9	51,466	111,546
		<u>661,854</u>	<u>576,469</u>
<b>SHAREHOLDERS' EQUITY</b>			
Common shares	7	46,685,174	41,183,244
Reserves	7	8,755,275	8,807,661
Deficit		(40,309,877)	(35,821,660)
		<u>15,130,572</u>	<u>14,169,245</u>
		<u>\$ 15,792,426</u>	<u>\$ 14,745,714</u>

**Nature of Operations and Going Concern (Note 1)**  
**Events After the Reporting Period (Note 14)**

These condensed consolidated interim financial statements are authorized for issue by the Board of Directors on November 29, 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)

		For the three months ended September 30		For the Nine months ended September 30	
	Note	2024	2023	2024	2023
Exploration expenses	5	\$ 2,230,889	\$ 3,712,643	\$ 2,831,890	\$ 5,576,131
		2,230,889	3,712,643	2,831,890	5,576,131
Administrative expenses					
Accounting and audit		31,141	34,600	86,247	91,672
Bank charges		1,304	2,685	6,174	7,222
Consulting		74,259	78,868	339,674	218,273
Legal		120,713	17,901	184,270	144,578
Management and director fees	9	106,200	123,000	344,150	369,000
Marketing and shareholders communication		102,365	137,145	345,083	647,224
Office	9	71,600	65,146	157,891	164,406
Share-based compensation	7(c), 9	92,342	44,365	119,918	44,365
Transfer agent, listing and filing fees		10,340	18,969	43,661	80,128
Foreign exchange loss		13,429	13,266	5,298	23,208
		623,693	535,945	1,632,366	1,790,076
Other item					
Property investigation costs		2,722	45,683	23,961	130,843
Write-off of exploration and evaluation assets	5(c)	-	1,439	-	360,592
Net loss		2,857,304	4,295,710	4,488,217	7,857,642
Other comprehensive loss (income)					
Cumulative translation adjustment		338,100	(26,957)	490,560	(445,527)
Total comprehensive loss for the period		\$ 3,195,404	\$ 4,268,753	\$ 4,978,777	\$ 7,412,115
Basic and diluted loss per share		\$ 0.01	\$ 0.03	\$ 0.02	\$ 0.05
Weighted average number of common shares outstanding		199,681,254	150,111,670	185,741,208	145,439,696

*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 shareholders' equity
		Number of shares	Amount	Equity-settled employee benefits	Finder's warrants	Warrants	Foreign exchange reserve	Total	Deficit	
<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)	-	(1,029,675)	-	202,094	-	-	202,094	-	(827,581)
Share-based compensation	8(d)	-	-	44,365	-	-	-	44,365	-	44,365
Net loss and comprehensive loss		-	-	-	-	-	445,527	445,527	(7,857,642)	(7,412,115)
<b>Balance as at September 30, 2023</b>	<b>(Unaudited)</b>	150,111,670	41,154,494	2,387,782	1,183,881	4,491,502	714,069	8,777,234	(34,642,418)	15,289,310
Shares issued:										
For property acquisition	7(b)	125,000	28,750	-	-	-	-	-	-	28,750
Net loss and comprehensive loss		-	-	-	-	-	30,427	30,427	(1,179,242)	(1,148,815)
<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)	49,399,584	6,235,659	-	-	134,941	-	134,941	-	6,370,600
Share issue costs	7(b)	-	(741,713)	-	185,899	-	-	185,899	-	(555,814)
Exercise of finders' warrants	7(e)	45,000	7,984	-	(2,584)	-	-	(2,584)	-	5,400
Share-based compensation	7(c)	-	-	119,918	-	-	-	119,918	-	119,918
Net loss and comprehensive loss		-	-	-	-	-	(490,560)	(490,560)	(4,488,217)	(4,978,777)
<b>Balance as at September 30, 2024</b>	<b>(Unaudited)</b>	<b>199,681,254</b>	<b>\$ 46,685,174</b>	<b>\$ 2,507,700</b>	<b>\$ 1,367,196</b>	<b>\$ 4,626,443</b>	<b>\$ 253,936</b>	<b>\$ 8,755,275</b>	<b>\$ (40,309,877)</b>	<b>\$ 15,130,572</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)

		For the	
		Nine months ended September 30	
	Note	2024	2023
<b>Cash provided by (used in):</b>			
<b>Operating activities</b>			
Net loss		\$ (4,488,217)	\$ (7,857,642)
Items not involving cash:			
Depreciation expense included in exploration expenses	4, 5	9,786	7,243
Share-based compensation	7(c)	119,918	44,365
Write-off of exploration and evaluation assets	5	-	360,592
Foreign exchange (gain) loss		(3,501)	21,800
Changes in non-cash working capital items:			
Receivables		(5,158)	(3,545)
Due from related party		(258,221)	-
Prepaid expenses		(632,672)	152,310
VAT receivables		(18,589)	(245,044)
Trade and other payables		62,692	192,299
Due to related parties		(8,614)	(2,927)
Cash (used in) operating activities		<u>(5,222,576)</u>	<u>(7,330,549)</u>
<b>Investing activities</b>			
Purchase of equipment		(50,819)	-
Exploration and evaluation assets		(334,774)	(597,012)
Exploration deposit		(50,993)	(46,028)
Cash (used in) investing activities		<u>(436,586)</u>	<u>(643,040)</u>
<b>Financing activities</b>			
Net proceeds from issuance of common shares	7	5,822,686	7,184,135
Cash provided by financing activities		<u>5,822,686</u>	<u>7,184,135</u>
<b>Net change in cash and cash equivalents</b>		163,524	(789,454)
<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>		<u>\$ 259,634</u>	<u>\$ 1,235,206</u>
<b>Supplemental disclosure with respect to cash flows:</b>			
Reclassification of reserves pursuant to exercise of finder's warrants		\$ 2,584	\$ -
Finder's warrants issuance pursuant to share issue costs		185,899	202,094
Exploration and evaluation assets included in accounts payable		-	(101,580)
Share issue costs included in accounts payable		<u>2,500</u>	<u>-</u>

*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, 2024

(Unaudited)

(Expressed in Canadian dollars)

### 1. NATURE OF OPERATIONS AND GOING CONCERN

Reyna Silver Corp. (the “Company” or “Reyna Silver”) registered its incorporation on August 24, 2017 in the province of British Columbia, Canada. The Company changed its name from “Trudeau Gold Inc.” to “Century Metals Inc.” on April 30, 2018 and began trading on TSX Venture Exchange (the “Exchange” or “TSXV”) 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 Accounting Standards”) 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.

	September 30,	December 31,
	2024	2023
Deficit	\$ (40,309,877)	\$ (35,821,660)
Working capital (deficiency)	\$ 596,086	\$ (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”).



## **REYNA SILVER CORP.**

Notes to the Condensed Consolidated Interim Financial Statements

As at September 30, 2024

(Unaudited)

(Expressed in Canadian dollars)

---

### **2. BASIS OF PRESENTATION, (Continued)**

#### **(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.

### **3. MATERIAL ACCOUNTING POLICY INFORMATION**

These unaudited condensed consolidated interim financial statements have been prepared in accordance with IFRS Accounting Standards 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 Accounting Standards 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 nine-month period ended September 30, 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**

Certain new accounting standards and interpretations have been published that are not mandatory for the September 30, 2024 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 and Disclosure in Financial Statements**

IFRS 18 was issued in April 2024 and applies to an annual reporting period beginning on or after January 1, 2027. IFRS 18 will replace IAS 1. IFRS requires all companies using IFRS Standards to provide relevant information that faithfully represents an entity's assets, liabilities, equity, income and expenses. The Company is currently assessing the impact of this new accounting standard on its financial statements.

**REYNA SILVER CORP.**

Notes to the Condensed Consolidated Interim Financial Statements

As at September 30, 2024

(Unaudited)

(Expressed in Canadian dollars)

**4. EQUIPMENT**

	Field equipment	Vehicles	Total
<b>Cost</b>			
Balance, December 31, 2022	\$ 68,019	\$ -	\$ 68,019
Exchange adjustment	(1,597)	-	(1,597)
Balance, December 31, 2023	\$ 66,422	\$ -	\$ 66,422
Additions	35,411	15,408	50,819
Exchange adjustment	1,371	-	1,371
Balance, September 30, 2024	\$ 103,204	\$ 15,408	\$ 118,612
<b>Accumulated depreciation</b>			
Balance, December 31, 2022	\$ 1,620	\$ -	\$ 1,620
Depreciation	9,686	-	9,686
Exchange adjustment	(232)	-	(232)
Balance, December 31, 2023	\$ 11,074	\$ -	\$ 11,074
Depreciation	8,587	1,199	9,786
Exchange adjustment	172	-	172
Balance, September 30, 2024	\$ 19,833	\$ 1,199	\$ 21,032
<b>Carrying amounts</b>			
As at December 31, 2023	\$ 55,348	\$ -	\$ 55,348
As at September 30, 2024	\$ 83,371	\$ 14,209	\$ 97,580

During the nine months ended September 30, 2024, the Company included depreciation of \$9,786 (2023 - \$7,243) in exploration expenses in the statement of comprehensive loss (Note 5).

## REYNA SILVER CORP.

Notes to the Condensed Consolidated Interim Financial Statements

As at September 30, 2024

(Unaudited)

(Expressed in Canadian dollars)

---

### 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.

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:

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

## **REYNA SILVER CORP.**

Notes to the Condensed Consolidated Interim Financial Statements

As at September 30, 2024

(Unaudited)

(Expressed in Canadian dollars)

---

### **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 September 30, 2024

(Unaudited)

(Expressed in Canadian dollars)

---

### 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, January 31, 2024 and September 30, 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\$15,000 to the Optionors on or before October 1, 2024 (subsequently paid);
- (vi) Make a mandatory cash payment of US\$150,000 and issue mandatory common shares in equivalent of US\$10,000 to the Optionors on or before February 1, 2025;
- (vii) Make an optional cash payment of US\$225,000 to the Optionors and issue to the Optionors such mandatory number of common shares of the Company having a market value equal to US\$300,000 (based on the 30-day VWAP (volume-weighted average price) of Reyna Silver's common shares on the TSXV prior to the date of issuance subject to a floor price of \$0.12375 per common share) on or before February 1, 2025;
- (viii) Make an optional cash payment of US\$150,000 to the Optionors on or before October 1, 2025;
- (ix) 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);

**REYNA SILVER CORP.**

Notes to the Condensed Consolidated Interim Financial Statements

As at September 30, 2024

(Unaudited)

(Expressed in Canadian dollars)

**5. EXPLORATION AND EVALUATION ASSETS AND MINERAL EXPLORATION EXPENSES, (Continued)****UNITED STATES, (Continued)****(f) Medicine Springs Property (Nevada), (Continued)**

- (x) 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).

**(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:

<b>Date/Period</b>	<b>Cash Payments</b>	<b>Common Shares</b>	<b>Expenditures</b>
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 (paid)	None	US\$500,000 (completed)
On or before October 31, 2024 <sup>(1)</sup>	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

<sup>(1)</sup> Subsequent to September 30, 2024, the payment was amended – see Note 14.

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.

On August 7, 2024, the Company and Reyna Gold signed an Arrangement Agreement to merge and become a premier exploration company. In connection with the transaction, the Company will assume all of Reyna Gold's right, title, interest and obligations, including the ones under the Agreement with respect to the Gryphon Summit Property. See Note 14.

**REYNA SILVER CORP.**

Notes to the Condensed Consolidated Interim Financial Statements

As at September 30, 2024

(Unaudited)

(Expressed in Canadian dollars)

**5. EXPLORATION AND EVALUATION ASSETS AND MINERAL EXPLORATION EXPENSES, (Continued)****UNITED STATES,** (Continued)**(h) Mineral Hill Property (Nevada)**

On July 31, 2024, the Company entered into an option agreement (the "Agreement") with Minquest Ltd. ("Minquest") to acquire a 100% interest in the Mineral Hill Property (the "Option"), located in Eureka County, Nevada. The Option is subject to the Company performing the following by July 31, 2030:

- (i) Incurring aggregate exploration expenditures of US\$1,550,000 on the project; and
- (ii) Making cash payments to Minquest in the aggregate amount of US\$1,810,000. On exercise of the Option by the Company, the Company will grant Minquest a 2.5% net smelter return ("NSR") royalty.

To complete its full 100% earn-in under the Agreement, the Company must complete the following:

<b>Date/Period</b>	<b>Cash Payments</b>	<b>Expenditures</b>
Within 5 days of the Effective Date	US\$10,000 (paid)	None
On or before July 31, 2025	US\$10,000	None
On or before July 31, 2026	US\$40,000	US\$200,000
On or before July 31, 2027	US\$75,000	US\$200,000
On or before July 31, 2028	US\$125,000	US\$300,000
On or before July 31, 2029	US\$150,000	US\$350,000
On or before July 31, 2030	US\$1,400,000	US\$500,000

The Company will have the option to repurchase half (1.25%) of the 2.5% NSR royalty at any time by paying Minquest US\$2,500,000.

The Mineral Hill Property is located within the overall Gryphon property.

**(i) Union Hill Property (Nevada)**

On August 2, 2024, the Company entered into an option agreement (the "Agreement") with Aulode LLC. ("Aulode") on the Union Hill Project (the "Project") located in Eureka County, Nevada. The Union patented claim group has 10 newly staked claims (81 hectares) at the Company's 70% optioned Gryphon Summit project.

The Agreement gives the Company the right (the "**First Option**") to earn a 100% ownership interest in the mineral rights and rights to prospect and explore the Project; and the further right (the "**Second Option**") to earn a 100% ownership interest in all remaining rights (including without limitation surface rights) in the Project and to become the fee title owner of the Project. The First Option is subject to the Company making cash payments to Aulode in the aggregate amount of US\$1,000,000 on or before August 2, 2030.

**REYNA SILVER CORP.**

Notes to the Condensed Consolidated Interim Financial Statements

As at September 30, 2024

(Unaudited)

(Expressed in Canadian dollars)

**5. EXPLORATION AND EVALUATION ASSETS AND MINERAL EXPLORATION EXPENSES, (Continued)****UNITED STATES, (Continued)****(i) Union Hill Property (Nevada), (Continued)**

<b>Date/Period</b>	<b>Cash Payment</b>
On execution of this Agreement (the "Execution Date")	US\$27,500 (paid)
On or before February 2, 2025	US\$27,500
On or before August 2, 2025	US\$27,500
On or before February 2, 2026	US\$27,500
On or before August 2, 2026	US\$25,000
On or before February 2, 2027	US\$25,000
On or before August 2, 2027	US\$120,000
On or before February 2, 2028	US\$120,000
On or before August 2, 2028	US\$120,000
On or before February 2, 2029	US\$120,000
On or before August 2, 2029	US\$120,000
On or before February 2, 2030	US\$120,000
On or before August 2, 2030	US\$120,000

The Second Option is subject to the Company making a production decision and making further cash payments to Aulode as follows:

- (i) US\$500,000 within thirty (30) days after the Company receives all construction, environmental and other permits required in order to proceed with construction on the Project; and
- (ii) US\$2,000,000 no later than the date three months prior to the estimated date of commencement of construction on the Project.

If the Company has not made a production decision by August 2, 2030, it may extend the date for exercise of the Second Option by up to a further three years by making further cash payments of US\$250,000 in respect of each such one-year extension.

On exercise of the Second Option, the Company will grant Aulode a 2.5% net smelter return ("NSR") royalty over the Project. The Company will have the option to repurchase half (1.25%) of the 2.5% NSR royalty at any time by paying Aulode US\$2,500,000.

If the Company has not made a production decision by August 2, 2033, the Company will quitclaim and transfer its rights in the Project to Aulode and Aulode will grant the Company a 2.0% NSR royalty over the Project. Aulode will have the option at any time to repurchase half (1.00%) of such 2.0% NSR royalty by paying Reyna Silver US\$1,000,000, and to repurchase the remaining half (1.00%) of the 2.0% NSR royalty by paying the Company a further US\$1,000,000.

**CANADA****(j) 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 Condensed Consolidated Interim Financial Statements

As at September 30, 2024

(Unaudited)

(Expressed in Canadian dollars)

## 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, 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 Condensed Consolidated Interim Financial Statements

As at September 30, 2024

(Unaudited)

(Expressed in Canadian dollars)

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

	Mexico				Canada	USA			
	Batopilas	Guigui	La Reyna	Others	Trudeau	Medicine Springs	Gryphon Summit	Others	Total
<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	-	-	-	-	-	214,666	68,290	51,818	334,774
Foreign currency translation	-	(197,012)	-	-	-	11,566	-	-	(185,446)
<b>As of September 30, 2024</b>	\$ 597,262	\$ 8,225,665	\$ -	\$ 17,077	\$ -	\$ 3,025,534	\$ 165,005	\$ 51,818	\$ 12,082,361
<b>Mineral exploration expenses for the period ended September 30, 2024</b>									
Consulting and reporting	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 21,046	\$ -	\$ 21,046
Claim staking	-	-	-	-	-	-	18,100	-	18,100
Mineral taxes	-	4,347	-	-	-	160,213	473,542	6,035	644,137
Depreciation	-	-	-	-	-	8,587	1,199	-	9,786
Drilling	27,790	13,429	-	-	-	16,005	818,086	-	875,310
Geochemistry	-	7,500	-	-	-	2,760	35,728	-	45,988
Geology and exploration	45,831	16,236	-	-	-	29,837	644,977	-	736,881
Geophysics	-	-	-	-	-	2,844	-	-	2,844
Other property related expenses	9,764	4,424	-	-	-	44,478	302,710	-	361,376
Permitting	-	-	-	-	-	-	5,755	-	5,755
Reclamation	-	-	-	-	-	-	6,706	-	6,706
Surface access	-	-	-	-	-	-	1,642	-	1,642
Trenching	-	-	-	-	-	-	102,319	-	102,319
	\$ 83,385	\$ 45,936	\$ -	\$ -	\$ -	\$ 264,724	\$ 2,431,810	\$ 6,035	\$ 2,831,890
<b>Cumulative mineral exploration expenses up to September 30, 2024</b>									
Consulting and reporting	\$ 19,872	\$ 297,137	\$ -	\$ -	\$ 4,500	\$ -	\$ 21,046	\$ -	\$ 342,555
Claim staking	-	-	-	-	-	56,422	18,100	-	74,522
Mineral taxes	162,264	677,767	60,637	-	-	873,357	629,059	6,035	2,409,119
Depreciation	-	-	-	-	-	19,829	1,199	-	21,028
Drilling	989,363	1,904,635	284	-	-	3,452,014	852,175	-	7,198,471
Well drilling	-	-	-	-	-	487,505	-	-	487,505
Geochemistry	29,012	104,959	-	-	-	156,974	40,398	-	331,343
Geology and exploration	2,084,222	5,046,191	95,075	-	-	799,556	742,163	-	8,767,207
Geophysics	463,934	234,947	-	-	-	505,941	-	-	1,204,822
Other property related expenses	234,230	829,098	-	-	-	983,010	315,769	-	2,362,107
Permitting	-	-	-	-	-	44,033	13,344	-	57,377
Reclamation	2,109	2,578	-	-	-	-	6,706	-	11,393
Surface access	120,711	183,319	-	-	-	-	3,286	-	307,316
Trenching	-	-	-	-	-	578,600	102,319	-	680,919
Reimbursements from optionee	-	-	-	(20,000)	-	-	-	-	(20,000)
	\$ 4,105,717	\$ 9,280,631	\$ 155,996	\$ (20,000)	\$ 4,500	\$ 7,957,241	\$ 2,745,564	\$ 6,035	\$ 24,235,684

## REYNA SILVER CORP.

Notes to the Condensed Consolidated Interim Financial Statements

As at September 30, 2024

(Unaudited)

(Expressed in Canadian dollars)

---

### 6. DEPOSITS

As of September 30, 2024, the Company has a US\$94,083 (\$127,374) reclamation bond with Bureau of Land Management for the Medicine Springs property and Gryphon Summit 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.

Notes to the Condensed Consolidated Interim Financial Statements

As at September 30, 2024

(Unaudited)

(Expressed in Canadian dollars)

---

### 7. SHARE CAPITAL, (Continued)

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

During the nine months ended September 30, 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.

- (ii) 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 non-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, \$65,269 was assigned to the warrant component of the Units.

In connection with the two tranches of the private placements, the Company paid a total of \$117,222 cash finder's fee and issued the following compensation warrants exercisable into one common share at a price of \$0.16 for a period of 2 years: 597,013 compensation warrants until May 3, 2026 and 135,625 compensation warrants until May 9, 2026. The value of the compensation warrants was determined to be \$52,147 calculated using the Black-Scholes option pricing model. Another \$95,575 paid in cash was also included as share issue costs.

- (iii) During the nine months ended September 30, 2024, 45,000 finder's warrants were exercised at the price of \$0.12.

**REYNA SILVER CORP.**

Notes to the Condensed Consolidated Interim Financial Statements

As at September 30, 2024

(Unaudited)

(Expressed in Canadian dollars)

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

The Company has a 10% rolling Long-Term Incentive Plan (the "LTIP"). Under the LTIP, the Company can grant equity -based incentive awards in the form of stock options, restricted share units (RSUs), performance share units (PSUs), deferred share units (DSUs), and stock appreciation rights (SARs) to eligible persons, whereby a maximum of 10% of the Company's shares can be issuable. The Board of Directors of the Company determines the number of options to be granted, exercise prices, expiry dates and vesting conditions. The Board of Directors of the Company also determines the number of RSUs, PSUs, DSUs, and SARs to be granted and the vesting conditions with the minimum of one year vesting period on all RSUs, PSUs, DSUs and SARs. RSUs, PSUs, DSUs and SARs have no exercise price and will be converted into common shares upon vesting.

Stock option transactions and the number of stock options, including the compensation options and advisor options, for the nine months ended September 30, 2024 are summarized as follows:

<b>Expiry date</b>	<b>Exercise price</b>	<b>December 31, 2023</b>	<b>Granted</b>	<b>Exercised</b>	<b>Expired / Cancelled</b>	<b>September 30, 2024</b>
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	-	-	(5,000)	492,400
December 16, 2026	\$ 0.71	1,600,000	-	-	-	1,600,000
September 13, 2029	\$ 0.57	187,500	-	-	-	187,500
June 28, 2026	\$ 0.135	-	400,000	-	-	400,000
June 28, 2029	\$ 0.135	-	1,300,000	-	-	1,300,000
Options outstanding		4,964,900	1,700,000	-	(135,000)	6,529,900
Options exercisable		4,964,900	450,000	-	-	5,279,900
Weighted average exercise price	\$	0.80	\$ 0.135	\$ -	\$ 1.00	\$ 0.62

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:

<b>Expiry date</b>	<b>Exercise price</b>	<b>December 31, 2022</b>	<b>Granted</b>	<b>Exercised</b>	<b>Expired / Cancelled</b>	<b>December 31, 2023</b>
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 September 30, 2024, the weighted average contractual remaining life of options is 2.42 years (December 31, 2023 – 2.28 years). The fair value of stock options granted and vested during the nine months ended September 30, 2024 was \$66,358 (September 30, 2023 - \$44,365). The weighted average fair value of stock options granted and vested during the nine months ended September 30, 2024 was \$0.07 (September 30, 2023 - \$0.05).

**REYNA SILVER CORP.**

Notes to the Condensed Consolidated Interim Financial Statements

As at September 30, 2024

(Unaudited)

(Expressed in Canadian dollars)

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

The weighted average assumptions used to estimate the fair value of options for the nine months ended September 30, 2024 and 2023 were as follows:

	2024	2023
Expected dividend yield	nil	nil
Expected stock price volatility	82.67% - 122.52%	74.74%
Risk-free interest rate	3.43% - 3.86%	3.01%
Forfeiture rate	0.00%	0.00%
Expected life of options	2 years - 5 years	2 years

RSU transactions and the number of RSUs for the nine months ended September 30, 2024 are summarized as follows:

Vesting date	December 31, 2023	Granted	Vested and converted to common shares	September 30, 2024
June 28, 2025	-	737,500	-	737,500
June 28, 2026	-	737,500	-	737,500
June 28, 2027	-	737,500	-	737,500
June 28, 2028	-	737,500	-	737,500
RSUs outstanding	-	2,950,000	-	2,950,000

The weighted average remaining life of the outstanding RSUs as at September 30, 2024 is 2.24 years (December 31, 2023 – Nil years). The Company recognized another \$53,560 (2023 - \$Nil) share-based compensation for RSUs granted during the current period.

The fair value of RSUs granted during the nine months ended September 30, 2024 is the market price of the common shares at the date of grant and is amortized over the vesting period.

**d. Warrants**

The continuity of warrants for the nine months ended September 30, 2024 is as follows:

Expiry date	Exercise price	December 31, 2023	Issued	Exercised	Expired	September 30, 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
May 3, 2026	\$ 0.24	-	9,078,750	-	-	9,078,750
May 9, 2026	\$ 0.24	-	1,987,500	-	-	1,987,500
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	49,399,584	-	(6,944,443)	76,105,304
Weighted average exercise price	\$	0.42	\$ 0.21	\$ -	\$ 0.50	\$ 0.28

# REYNA SILVER CORP.

Notes to the Condensed Consolidated Interim Financial Statements

As at September 30, 2024

(Unaudited)

(Expressed in Canadian dollars)

## 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 September 30, 2024, the weighted average contractual remaining life of warrants is 1.94 years (December 31, 2023 – 1.79 years).

### e. Finder's Warrants

The continuity of finder's warrants for the nine months ended September 30, 2024 is as follows:

Expiry date		Exercise price	December 31, 2023	Issued	Exercised	Expired	September 30, 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
May 3, 2026		\$ 0.16	-	597,013	-	-	597,013
May 9, 2026		\$ 0.16	-	135,625	-	-	135,625
February 26, 2027	*	\$ 0.12	-	926,336	(45,000)	-	881,336
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	2,978,176	(45,000)	(909,104)	4,786,368
Weighted average exercise price		\$	0.33	\$ 0.13	\$ 0.12	\$ 0.40	\$ 0.20

\* Subsequently, 212,000 finder's warrants were exercised.

\*\* Subsequently, 357,000 finder's warrants were exercised.

## REYNA SILVER CORP.

Notes to the Condensed Consolidated Interim Financial Statements

As at September 30, 2024

(Unaudited)

(Expressed in Canadian dollars)

### 7. SHARE CAPITAL, (Continued)

#### e. Finder's Warrants, (Continued)

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

- (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 September 30, 2024, the weighted average contractual remaining life of finder's warrants is 1.51 years (December 31, 2023 – 0.92 years).

The weighted average assumptions used to estimate the fair value of finder's warrants for the nine months ended September 30, 2024 and 2023 were as follows:

	2024	2023
Expected dividend yield	nil	nil
Expected stock price volatility	74.39% - 84.59%	73.53% - 74.01%
Risk-free interest rate	3.61% - 4.13%	3.99% - 4.09%
Forfeiture rate	0.00%	0.00%
Expected life of finder's warrants	2 years - 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 nine months ended September 30, 2024 was based on the loss attributable to common shareholders of \$4,488,217 (nine months ended September 30, 2023 – \$7,857,642) and a weighted average number of common shares outstanding of 185,741,208 (nine months ended September 30, 2023 – 145,439,696).

Diluted loss per share did not include the effect of 76,105,304 warrants, 6,529,900 stock options and advisor options, 2,950,000 RSUs, and 4,786,368 finders' warrants (September 30, 2023 – 33,650,163 warrants, 4,964,900 stock options and advisor options and 2,762,296 finders' warrants) since they were anti-dilutive.



**REYNA SILVER CORP.**

Notes to the Condensed Consolidated Interim Financial Statements

As at September 30, 2024

(Unaudited)

(Expressed in Canadian dollars)

**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, 2024

	Cash payments <sup>(1)</sup>	Shares issued <sup>(1)</sup>	Share-based payments <sup>(2)</sup>	Total
Jorge Ramiro Monroy <sup>(3)</sup> Chief Executive Officer, Director	\$ 216,000	\$ -	\$ 29,188	\$ 245,188
Michael Wood <sup>(4)</sup> Chief Financial Officer, Director	\$ 75,000	\$ -	\$ 13,128	\$ 88,128
Peter Jones <sup>(5)</sup> Director	\$ 6,250	\$ -	\$ 9,078	\$ 15,328
Alex Langer <sup>(6)</sup> Director	\$ 10,000	\$ -	\$ 8,170	\$ 18,170
Evaristo Trevino <sup>(7)</sup> Director	\$ 3,750	\$ -	\$ 7,262	\$ 11,012
Carmen Amezcuita <sup>(8)</sup> Director	\$ 3,750	\$ -	\$ 7,262	\$ 11,012
Ariel Navarro - Vice President of Exploration of the Company <sup>(9)</sup>	\$ -	\$ -	\$ 8,540	\$ 8,540
Lauren Megaw - Vice President of Corporate Development <sup>(10)</sup>	\$ -	\$ -	\$ 8,798	\$ 8,798
Bethany Terracina - Vice President of Investor Relations <sup>(11)</sup>	\$ 29,400	\$ -	\$ 12,045	\$ 41,445
<b>TOTAL:</b>	<b>\$ 344,150</b>	<b>\$ -</b>	<b>\$ 103,471</b>	<b>\$ 447,621</b>

For the nine months ended September 30, 2023

	Cash payments <sup>(1)</sup>	Shares issued <sup>(1)</sup>	Share-based payments <sup>(2)</sup>	Total
Jorge Ramiro Monroy <sup>(3)</sup> Chief Executive Officer, Director	\$ 225,000	\$ -	\$ -	\$ 225,000
Michael Wood <sup>(4)</sup> Chief Financial Officer, Director	\$ 90,000	\$ -	\$ -	\$ 90,000
Peter Jones <sup>(5)</sup> Director	\$ 18,750	\$ -	\$ -	\$ 18,750
Alex Langer <sup>(6)</sup> Director	\$ 15,000	\$ -	\$ -	\$ 15,000
Evaristo Trevino <sup>(7)</sup> Director	\$ 11,250	\$ -	\$ -	\$ 11,250
Carmen Amezcuita <sup>(8)</sup> Director	\$ 9,000	\$ -	\$ -	\$ 9,000
Ariel Navarro - Vice President of Exploration of the Company <sup>(9)</sup>	\$ -	\$ -	\$ 2,335	\$ 2,335
<b>TOTAL:</b>	<b>\$ 369,000</b>	<b>\$ -</b>	<b>\$ 2,335</b>	<b>\$ 371,335</b>

<sup>(1)</sup> Included in the Management and director fees in the consolidated statements of loss and comprehensive loss.

# REYNA SILVER CORP.

Notes to the Condensed Consolidated Interim Financial Statements

As at September 30, 2024

(Unaudited)

(Expressed in Canadian dollars)

## 9. RELATED PARTY TRANSACTIONS, (Continued)

- (2) Amount represents the Black-Scholes calculation of the stock options granted and vested to the individual and fair value of the RSUs amortized over the vesting period during the period and is included in the share-based compensation in the consolidated statements of loss and comprehensive loss.
- (3) 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.
- (4) 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.
- (5) Peter Jones became the director of the Company effective June 3, 2020.
- (6) Alex Langer's director fee was paid to his company Andros Capital Corp.
- (7) Evaristo Trevino became the director of the Company effective September 21, 2020.
- (8) Carmen Amezcuita became a director of the Company effective December 30, 2022. Carmen Amezcuita's director fee was paid through Amezcuita Management Inc.
- (9) Ariel Navarro became the Vice President of Exploration of the Company effective June 3, 2020.
- (10) Lauren Megaw became the Vice President of Corporate Development of the Company effective June 15, 2024.
- (11) Bethany Terracina became the Vice President of Investor Relations of the Company effective June 15, 2024.

Related party transactions and balances:

		For the		Amounts in due to related parties	
		Nine months ended September 30		As at	As at
Services for:		2024	2023	September 30, 2024	December 31, 2023
Emerging Capital Markets <sup>(1)</sup>	Management fee and reimbursements	\$ 298,005 <sup>(7)</sup>	\$ 244,348 <sup>(8)</sup>	\$ 17,562	\$ 66,954
Athena Jade Limited <sup>(2)</sup>	Management fee	75,000	90,000	30,000	20,000
Michael Wood	Expense reimbursements	-	-	55	-
Andros Capital Corp. <sup>(3)</sup>	Director fee and consulting fee	10,000	15,000	-	5,250
Peter Jones	Director fee	6,250	18,750	-	6,250
Evaristo Trevino	Director fee	3,750	11,250	-	3,750
Cassiar Gold Corp. <sup>(4)</sup>	Rent	9,126	13,689	3,042	3,042
Amezcuita Management Inc. <sup>(5)</sup>	Director fee	3,750	9,000	-	6,300
Bethany Terracina	Management fee and reimbursements	29,400	-	807	-
Total		\$ 435,281	\$ 402,037	\$ 51,466	\$ 111,546

		For the		Amounts in due from related parties	
		Nine months ended September 30		As at	As at
Services for:		2024	2023	September 30, 2024	December 31, 2023
Reyna Gold Corp <sup>(6)</sup>	Reimbursements	-	-	287,766	-
Total		\$ -	\$ -	\$ 287,766	\$ -

- (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.

## REYNA SILVER CORP.

Notes to the Condensed Consolidated Interim Financial Statements

As at September 30, 2024

(Unaudited)

(Expressed in Canadian dollars)

---

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

- (6) A company with directors in common. Subsequently the Company acquired Reyna Gold – see Note 14.
- (7) Included in this amount is \$82,005 related to expense reimbursements.
- (8) Included in this amount is \$19,348 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 (paid); 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), due from related party, 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.

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.

## REYNA SILVER CORP.

Notes to the Condensed Consolidated Interim Financial Statements

As at September 30, 2024

(Unaudited)

(Expressed in Canadian dollars)

---

### 11. FINANCIAL INSTRUMENTS, (Continued)

#### (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 31,300,000 Mexican pesos and net monetary assets of approximately US\$244,000. A 1% change in the absolute rate of exchange in Mexican pesos and US dollar would affect its net loss by approximately \$4,100.

#### (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.

## REYNA SILVER CORP.

Notes to the Condensed Consolidated Interim Financial Statements

As at September 30, 2024

(Unaudited)

(Expressed in Canadian dollars)

---

### 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:

	September 30, 2024	December 31, 2023
Non-current assets		
Mexico	\$ 11,067,175	\$ 11,550,729
USA	3,467,311	3,026,202
	<u>\$ 14,534,486</u>	<u>\$ 14,576,931</u>
	For the Nine months ended September 30	
	2024	2023
Mineral exploration expenses		
Mexico	\$ 129,321	\$ 1,524,669
USA	2,702,569	4,051,462
	<u>\$ 2,831,890</u>	<u>\$ 5,576,131</u>

## REYNA SILVER CORP.

Notes to the Condensed Consolidated Interim Financial Statements

As at September 30, 2024

(Unaudited)

(Expressed in Canadian dollars)

---

### 14. EVENTS AFTER THE REPORTING PERIOD

- (a) On October 30, 2024, the Company completed the acquisition of all of the issued and outstanding common shares of Reyna Gold by way of a statutory plan of arrangement under the *Business Corporations Act* (British Columbia) (the "Transaction").

Pursuant to the Transaction, each holder of Reyna Gold Shares (a "REYG Shareholder" and, collectively, the "REYG Shareholders") received one (1) common share of Reyna Silver (a "RSLV Share") for every three (3) REYG Shares held (the "Consideration"). The value of the Consideration represents an approximate 48% premium to REYG Shareholders, based on the 20 day VWAP of the RSLV Shares and the REYG Shares as of August 2, 2024 on the TSXV. Upon completion of the Transaction, REYG Shareholders hold approximately 10% of the issued and outstanding RSLV Shares and existing RSLV Shareholders hold approximately 90% of the issued and outstanding RSLV Shares, excluding any shares issued in connection with the Debt Conversion (as defined below).

As part of the Transaction, all outstanding options of Reyna Gold vested immediately and were exchanged for the number of options to purchase RSLV Shares based on the exchange ratio outlined in the Agreement. All replacement options will expire on the earlier of (i) the expiration date of the underlying option for which the replacement option was exchanged and (ii) 12 months from October 30, 2024, the date of issuance of the replacement option.

In connection with the Transaction, Reyna Silver and Reyna Gold agreed to amend and restate the terms of the Property Option Agreement dated August 29, 2023 with Gryphon. The amendments to the Original Agreement were effected by an amended and restated option agreement dated October 24, 2024 among Reyna Gold, Reyna Silver and Gryphon (the "Amended Agreement").

The Amended Agreement reflects changes resulting from the Transaction and provides that Reyna Silver will assume all of Reyna Gold's rights and obligations under the Original Agreement. As a result, among other things, Reyna Silver now has the sole ability to earn up to a 70% equity interest in the Project (the "Option"). The Amended Agreement also defers certain cash payments due to Gryphon on October 31, 2024 until January 31, 2025 in exchange for an additional cash payment of \$10,000 and the obligation to issue additional RSLV Shares to Gryphon. Per the terms of the amended option agreement, in order to exercise the option and acquire a 70% interest in the property, the Company is required to fulfill the following:

**REYNA SILVER CORP.**

Notes to the Condensed Consolidated Interim Financial Statements

As at September 30, 2024

(Unaudited)

(Expressed in Canadian dollars)

**14. EVENTS AFTER THE REPORTING PERIOD**

<b>Date/Period</b>	<b>Cash Payments</b>	<b>Common Shares Reyna Silver</b>	<b>Common Shares Reyna Gold</b>	<b>Expenditures</b>
On the Effective Date	US\$100,000 (paid)	None	None	None
With 5 business days of the acceptance of the agreement	None	125,000 (issued)	125,000 (issued by Reyna Gold)	None
On or before April 30, 2024	US\$100,000 (paid)	None	None	US\$500,000 (completed)
On or before October 31, 2024	US\$55,000 (subsequently paid)	None	None	None
On or before January 31, 2025	US\$55,000	None	None	None
On or before April 30, 2025	US\$150,000	250,000	None	US\$2,000,000
On or before October 31, 2025	US\$150,000	None	None	None
On or before April 30, 2026	US\$250,000	400,000	None	US\$3,000,000
On or before October 31, 2026	US\$250,000	None	None	None
On or before April 30, 2027	None	1,500,000	None	US\$4,000,000
<b>Total</b>	<b>US\$1,110,000</b>	<b>2,275,000</b>	<b>125,000</b>	<b>US\$9,500,000</b>

The amounts in the table above payable on or prior to April 30, 2025, comprising aggregate Expenditures of \$2,500,000, aggregate cash payments of US\$460,000, 125,000 Reyna Gold Shares and 375,000 Reyna Silver Shares (the "Firm Obligations"), are obligations of the Company and must be paid by the Company regardless of whether the option is subsequently permitted by the Company to lapse.

In addition, immediately prior to Transaction, Reyna Gold issued 838,750 REYG Shares (the "Debt Shares") to certain directors and officers in exchange for the cancellation of \$41,938 of outstanding director and management fees (the "Debt Conversion"). The Debt Shares were issued at a deemed price of \$0.05, in accordance with the policies of the TSXV. All securities issued pursuant to the Debt Conversion are subject to a statutory four-month and one-day hold period. Pursuant to the Transaction, the Debt Shares issued were converted into common shares of Reyna Silver on the basis of one (1) RSLV Share for every three (3) REYG Shares. Further, all change of control payments payable to officers of Reyna Gold under executive compensation agreements were waived in connection with the Transaction.

- (b) Subsequent to September 30, 2024, 569,000 finder's warrants were exercised at the price of \$0.12.