Condensed Consolidated Interim Financial Statements of

Almadex Minerals Ltd.

For the three and six months ended June 30, 2024
(Unaudited)

NOTICE OF NO AUDITOR REVIEW OF CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

The accompanying unaudited condensed consolidated interim financial statements of Almadex Minerals Ltd. ("the Company") for the three and six months ended June 30, 2024 have been prepared by the management of the Company and approved by the Company's Audit Committee and the Company's Board of Directors.

Under National Instrument 51-102, Part 4, subsection 4.3 (3) (a), if an auditor has not performed a review of the consolidated interim financial statements, they must be accompanied by a notice indicating that an auditor has not reviewed the financial statements.

The accompanying unaudited condensed consolidated 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 CPA Canada for a review of the condensed consolidated interim financial statements by an entity's auditor.

Almadex Minerals Ltd.
Condensed consolidated interim statements of financial position
(Unaudited - Expressed in Canadian dollars)

	June 30, 2024	December 31, 2023
	$	$
ASSETS		
Current assets		
Cash and cash equivalents (Note 13)	**14,883,404**	16,224,532
Accounts receivable and prepaid expenses (Note 4)	**139,851**	155,553
Marketable securities and investments (Note 5)	**895,690**	1,095,419
	15,918,945	17,475,504
Non-current assets		
Gold loan receivable (Note 6)	**6,636,152**	5,659,118
Reclamation deposits (Note 7)	**94,050**	75,215
Deferred income tax assets	**180,275**	180,275
Property and equipment (Note 8)	**731,754**	814,107
Exploration and evaluation assets (Note 9)	**2,855,812**	2,183,116
	10,498,043	8,911,831
TOTAL ASSETS	**26,416,988**	26,387,335
LIABILITIES		
Current liabilities		
Trade and other payables (Note 11(b))	**337,942**	590,335
Total liabilities	**337,942**	590,335
EQUITY		
Share capital (Note 10)	**23,564,858**	23,564,858
Reserves (Note 10)	**2,462,868**	2,462,868
Retained earnings (Deficit)	**51,320**	(230,726)
Total equity	**26,079,046**	25,797,000
TOTAL EQUITY AND LIABILITIES	**26,416,988**	26,387,335

Subsequent event (Note 17)

These condensed consolidated interim financial statements are authorized for issue by the Board of Directors on August 20, 2024.

They are signed on the Company's behalf by:

/s/Duane Poliquin
Director

/s/Lawrence Segerstrom
Director

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

Almadex Minerals Ltd.

Condensed consolidated interim statements of income and comprehensive income

(Unaudited - Expressed in Canadian dollars)

	Three months ended June 30,		Six months ended June 30,	
	2024	2023	**2024**	2023
	$	$	**$**	$
Revenue				
Exploration and drilling services	**-**	244,127	**-**	244,127
Financing fees (Note 6)	**102,070**	88,790	**199,454**	177,408
Royalty income	**-**	-	**44,945**	44,955
Interest income	**167,303**	163,337	**295,125**	281,944
	269,373	496,254	**539,524**	748,434
Expenses				
Administrative services fee (Note 11(a)(b))	**261,000**	258,353	**528,949**	514,173
Salaries and contractors	**-**	91,058	**-**	91,058
Drilling supplies	**-**	34,611	**-**	34,611
Depreciation (Note 8)	**37,579**	64,343	**86,018**	128,584
Professional fees	**155,027**	70,326	**233,804**	143,598
Office	**36,543**	38,904	**68,654**	106,755
General exploration expenses	**93,429**	161,371	**172,902**	161,371
Stock exchange, transfer agent and filing fees	**4,906**	6,037	**18,464**	20,317
Travel and promotion	**46,987**	50,226	**77,669**	95,278
Share-based payments (Note 10(b))	**-**	323,184	**-**	369,384
	635,471	1,098,413	**1,186,460**	1,665,129
	(366,098)	(602,159)	**(646,936)**	(916,695)
Other income (loss)				
Impairment of exploration and evaluation assets (Note 9)	**(37,060)**	(52,426)	**(85,903)**	(182,022)
Gain (loss) on sale of exploration and evaluation assets (Note 9)	**-**	(5)	**(2)**	109,994
Loss on sale of property and equipment (Note 8)	**(13,844)**	-	**(13,844)**	
Unrealized gain (loss) on gold loan receivable (Note 6)	**263,582**	(159,095)	**576,456**	200,604
Unrealized foreign exchange gain (loss) on gold loan receivable (Note 6)	**62,692**	(115,241)	**201,124**	(119,203)
Unrealized loss on marketable securities and investments (Note 5)	**(63,096)**	(215,057)	**(199,729)**	(40,804)
Foreign exchange gain (loss)	**72,528**	(278,316)	**450,880**	(221,027)
Net income and comprehensive income for the period	**(81,296)**	(1,422,299)	**282,046**	(1,169,153)
Basic and diluted net income per share (Note 12)	**0.00**	(0.02)	**0.01**	(0.02)

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

Almadex Minerals Ltd.

Condensed consolidated interim statements of cash flows

(Unaudited - Expressed in Canadian dollars)

	Three months ended June 30,		Six months ended June 30,	
	2024	2023	**2024**	2023
	$	$	**$**	$
Operating activities				
Net income (loss) for the period	**(81,296)**	(1,422,299)	**282,046**	(1,169,153)
Items not affecting cash				
Depreciation	**37,579**	64,343	**86,018**	128,584
Unrealized loss on marketable securities and investments	**63,096**	215,057	**199,729**	40,804
Unrealized loss (gain) on gold loan receivable	**(263,582)**	159,095	**(576,456)**	(200,604)
Unrealized foreign exchange loss (gain) on gold loan receivable	**(62,692)**	115,241	**(201,124)**	119,203
Loss (gain) on sale of exploration and evaluation assets	**-**	5	**2**	(109,994)
Gain on sale of property and equipment	**13,844**	-	**13,844**	-
Impairment of exploration and evaluation assets	**37,060**	52,426	**85,903**	182,022
Financing fees	**(102,070)**	(88,790)	**(199,454)**	(177,408)
Share-based payments	**-**	323,184	**-**	369,384
Changes in non-cash working capital components				
Accounts receivable and prepaid expenses	**(59,403)**	(155,837)	**15,702**	130,819
Trade and other payables	**(37,874)**	(148,155)	**(239,008)**	(177,615)
Net cash used in operating activities	**(455,338)**	(885,730)	**(532,798)**	(863,958)
Investing activities				
Exploration and evaluation assets - costs	**(233,287)**	(345,394)	**(771,986)**	(630,570)
Property and equipment – purchase	**(50,399)**	(3,080)	**(50,399)**	(7,085)
Net proceeds from sale of property and equipment	**32,890**	-	**32,890**	-
Reclamation deposits	**(13,743)**	(26,153)	**(18,835)**	(26,153)
Net cash used in investing activities	**(264,539)**	(374,627)	**(808,330)**	(663,808)
Financing activities				
Withholding taxes on cashless exercise	**-**	(41,747)	**-**	(41,747)
Net cash used in financing activities	**-**	(41,747)	**-**	(41,747)
Change in cash and cash equivalents	**(719,877)**	(1,302,104)	**(1,341,128)**	(1,569,513)
Cash and cash equivalents, beginning of period	**15,603,281**	18,128,763	**16,224,532**	18,396,172
Cash and cash equivalents, end of period	**14,883,404**	16,826,659	**14,883,404**	16,826,659

Supplemental cash flow information (Note 13)

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

Almadex Minerals Ltd.

Condensed consolidated interim statements of changes in equity

(Unaudited - Expressed in Canadian dollars)

	Share Capital		Reserves			
	Number of shares	Amount	Share-based payments	Total reserves	Retained earnings (Deficit)	**Total**
		$	$	$	$	$
Balance, January 1, 2023	**60,702,521**	**23,322,121**	**1,959,080**	**1,959,080**	**2,714,171**	**27,995,372**
Share-based payments	-	-	369,384	369,384	-	**369,384**
Shares issued on cashless exercise of options	305,423	-	-	-	-	**-**
Shares issuance cost on cashless exercise of options	-	(41,747)	-	-	-	**(41,747)**
Fair value of cashless share options transferred to share capital	-	284,484	(284,484)	(284,484)	-	**-**
Loss for the period	-	-	-	-	(1,169,153)	**(1,169,153)**
Balance, June 30, 2023	**61,007,944**	**23,564,858**	**2,043,980**	**2,043,980**	**1,545,018**	**27,153,856**
Share-based payments	-	-	418,888	418,888	-	**418,888**
Loss for the period	-	-	-	-	(1,775,744)	**(1,775,744)**
Balance, December 31, 2023	**61,007,944**	**23,564,858**	**2,462,868**	**2,462,868**	**(230,726)**	**25,797,000**
Income for the period	-	-	-	-	282,046	**282,046**
Balance, June 30, 2024	**61,007,944**	**23,564,858**	**2,462,868**	**2,462,868**	**51,320**	**26,079,046**

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

1. Nature of Operations

Almadex Minerals Ltd., (the "Company" or "Almadex") was incorporated on February 26, 2018 under the laws of Canada Business Corporations Act as part of a Plan of Arrangement to reorganize Azucar Minerals Ltd. ("Azucar"). The Company's intended business activity is the acquisition and exploration of exploration and evaluation properties in Canada, US and Mexico. The Company's head office is located at Suite 210 – 1333 Johnston Street, Vancouver, BC, V6H 3R9, Canada.

2. Basis of Presentation

(a) Statement of Compliance with International Financial Reporting Standards

These condensed consolidated interim financial statements, including comparatives, have been prepared in accordance and compliance with International Accounting Standards ("IAS") 34 "*Interim Financial Reporting"* ("IAS 34") using accounting policies consistent with the International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB").

(b) Basis of preparation

These condensed consolidated interim financial statements are prepared on a going concern basis, which assumes the Company will continue its operations for a reasonable period of time. The Company's ability to continue its operations is dependent upon obtaining additional financing or maintaining continued support from its shareholders and creditors, and generating profitable operations in the future.

These condensed consolidated interim financial statements include the accounts of the Company and its subsidiaries. This interim financial report does not include all of the information required of a full annual financial report and is intended to provide users with an update in relation to events and transactions that are significant to an understanding of the changes in financial position and performance of the Company since the end of the last annual reporting period.

Certain amounts in prior years have been reclassified to conform to the current period presentation.

3. Material Accounting Policies

These condensed consolidated interim financial statements do not include all note disclosures required by IFRS for annual financial statements. 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 period ended June 30, 2024 are not necessarily indicative of the results that may be expected for the year ended December 31, 2024.

The preparation of these condensed consolidated interim financial statements requires management to make judgements and estimates that affect the reported amounts of assets and liabilities at the date of the financial statements and reported amounts of expenses during the reporting period. Actual outcomes could differ from these judgements and estimates. The condensed consolidated interim financial statements include judgements and estimates which, by their nature, are uncertain. The impacts of such judgements and estimates are pervasive throughout the consolidated financial statements, and may require accounting adjustments based on future occurrences. Revisions to accounting estimates are recognized in the period in which the estimate is revised and the revision affects both current and future periods. There have been no changes in estimates since the annual consolidated financial statements as at and for the year ended December 31, 2023.

4. Accounts Receivable and Prepaid Expenses

Accounts receivable and prepaid expenses consist of the following:

	June 30, 2024	December 31, 2023
	$	$
Accounts receivable (Note 10)	**59,616**	121,088
Prepaid expenses	**80,235**	34,465
	139,851	155,553

5. Marketable Securities and Investments

a) Marketable securities consist of common shares in publicly-traded companies over which the Company does not have control or significant influence. Marketable securities are designated as FVTPL and valued at fair value of $895,690 (December 31, 2023 - $1,095,419) as at June 30, 2024. Unrealized loss due to period-end revaluation to fair value of $199,729 (2023 – $25,804) are recorded in profit or loss. The valuation of the common shares has been determined in whole by reference to the closing price traded on the exchange at each reporting date.

b) The Company received 500,000 transferable share purchase warrants issued by Almaden with an exercise price of $1.50 per share and an expiry date of May 14, 2024 as an arrangement fee of $50,000 (Note 6) for the gold loan. The warrants are designated as FVTPL and has a fair value of $Nil as at June 30, 2024 (December 31, 2023 - $Nil). An unrealized loss due to period-end revaluation to fair value of $Nil (2023 - $5,000) is recorded in profit or loss. On May 14, 2024, the Company did not exercise the warrants of Almaden and thus the warrants expired.

c) The Company received 829,652 transferable share purchase warrants issued by Star Royalties Ltd. ("Star Royalties") with an exercise price of $0.70 per share and an expiry date of September 29, 2023 as a part of consideration (Note 8) for the sale of its 2% NSR royalty on the Elk property. The warrants are designated as FVTPL and has a fair value of $Nil as at June 30, 2024 (December 31, 2023 - $Nil). An unrealized loss due to period-end revaluation to fair value of $Nil (2023 – $10,000) is recorded in profit or loss. On September 29, 2023, the Company did not exercise the warrants of Star Royalties and thus the warrants expired.

6. Gold Loan Receivable

Almaden (or the "Borrower") entered into a secured gold loan agreement ("Gold Loan") with the Company pursuant to which the Company has agreed to loan up to 1,597 ounces of gold bullion to Almaden. The approximate value of this gold as at May 14, 2019 was US$2,072,060 or $2,790,858.

Under the terms of the Gold Loan, Almaden will be entitled to draw-down the gold in minimum 400 ounce tranches. At any given time, the amount of gold ounces drawn multiplied by the London Bullion Market Association ("LBMA") AM gold price in US dollars, plus any accrued interest or unpaid fees, shall constitute the Loan Value.

The maturity date for the Gold Loan is March 31, 2024, and can be extended by two years at the discretion of the Borrower (the "Term"). Repayment of the Loan Value shall be made either through delivery of that amount of gold equivalent to the loan value, or through the issuance of common shares of Almaden ("Shares"), according to the Company's discretion. Mandatory prepayment shall be required in the event that Almaden's Ixtaca gold-silver project located in Puebla State, Mexico (the "Ixtaca Project") enters into commercial production during the Term, requiring the Borrower to deliver 100 gold ounces per month to the Company. In addition, Almaden has the right to pre-pay the Loan Value at any time without penalty, in either gold bullion

(Unaudited - Expressed in Canadian dollars)

6. Gold Loan Receivable *(Continued)*

or Shares as chosen by the Company, and the Company has the right to convert the Loan Value into Shares at any time during the Term. The conversion rate is equal to 95% of the 5 trading day volume weighted average price of the Shares on the Toronto Stock Exchange or an equivalent.

The interest rate of the Gold Loan is 10% of the Loan Value per annum, calculated monthly, paid in arrears. Interest payments can either be accrued to the Loan Value, or paid by the Borrower in cash or gold bullion. A standby fee of 1% per annum, accrued quarterly, will be applied to any undrawn amount on the Gold Loan.

In addition, the Company received on May 14, 2019 from Almaden 500,000 transferable share purchase warrants (“Warrants”), with an exercise price of $1.50 per Share and an expiry date of May 14, 2024 as an arrangement fee to cover the administrative costs of setting up the credit facility. These warrants were valued at $50,000 using the Black-Scholes option-pricing model with the following assumptions: expected life of five years, risk-free interest rate of 1.54%, expected dividend yield of 0% and expected volatility of 44%.

Security for the loan is certain equipment related to Almaden’s Rock Creek Mill. The Gold Loan includes industry standard provisions in the event of default, material breach and change of control.

The convertible gold loan receivable is classified as a financial asset and has been designated at FVTPL with an embedded derivative from the indexation of the loan principal portion to the movement in the price of gold in the US dollar denominated financial instrument. The gold loan receivable was recorded at fair value at inception in accordance with IFRS 13 and is subsequently remeasured with changes in fair value being recognized in the statement of operations.

On March 12, 2024, the Borrower formally notified the Company to extend the maturity date of the Gold Loan from March 31, 2024 to March 31, 2026.

On June 26, 2024, the Gold Loan was amended by both the Borrower and the Company in connection with its Ixtaca Project and to extend the maturity date from March 31, 2026 to March 31, 2030. Upon maturity date, at the discretion of the Company, it still has the right to convert the Loan Value into Shares at the same conversion rate. However, the maximum number of Shares issuable is at 13,722,000 Shares. If any additional payments are required, the balance of the Loan Value shall be paid by gold bullion.

As at June 30, 2024, the Company deposited the full 1,597 ounces of gold bullion and Almaden has drawn 1,200 ounces on the account. The fair value of the gold loan receivable for the period ended June 30, 2024 increased by $576,456 (December 31, 2023 – $534,592) due to a increase in the price of gold.

	June 30, 2024	December 31, 2023
Gold loan receivable, opening balance	**$ 5,659,118**	$ 4,885,928
Accrued interest income	**193,325**	353,372
Accrued standby fees	**6,129**	10,377
Change in FVTPL	**576,456**	534,592
Foreign exchange difference	**201,124**	(125,151)
	$ 6,636,152	$ 5,659,118

(Unaudited - Expressed in Canadian dollars)

7. Reclamation deposits

The reclamation deposits consist of the following:

	June 30, 2024	December 31, 2023
	$	$
Reclamation deposits	**94,050**	75,215
	94,050	75,215

Reclamation deposits of $94,050 (December 31, 2023 – $75,215) relate to environmental guarantee deposits posted as security for rehabilitation works for Nicoamen, Davis/Paradise and Lac de Gras properties.

8. Property and Equipment

	Automotive equipment	**Office equipment**	**Geological library**	**Field equipment**	**Drill equipment**	**Total**
	$	**$**	**$**	**$**	**$**	**$**
Cost						
December 31, 2023	**684,278**	**1,055**	**114**	**100,763**	**1,183,949**	**1,970,159**
Additions	50,399	-	-	-	**-**	**50,399**
Disposals	(167,935)	-	-	-	**-**	**(167,935)**
June 30, 2024	**566,742**	**1,055**	**114**	**100,763**	**1,183,949**	**1,852,623**
Accumulated depreciation						
December 31, 2023	**375,115**	**886**	**78**	**64,154**	**715,819**	**1,156,052**
Disposals	(121,201)	-	-	-	-	**(121,201)**
Depreciation	39,274	25	4	3,585	43,130	**86,018**
June 30, 2024	**293,188**	**911**	**82**	**67,739**	**758,949**	**1,120,869**
Carrying amounts						
December 31, 2023	309,163	169	36	36,609	468,130	814,107
June 30, 2024	**273,554**	**144**	**32**	**33,024**	**425,000**	**731,754**

During the six months ended June 30, 2024, the Company disposed automotive equipment with a net book value of $46,734 for proceeds of $32,890 resulting in a loss on sale of property and equipment of $13,844.

(Unaudited - Expressed in Canadian dollars)

9. Exploration and Evaluation Assets

Exploration and evaluation assets	Davis/ Paradise	Logan	Other Properties	Total
Acquisition costs:	**$**	**$**	**$**	**$**
Opening balance – December 31, 2023	**157,887**	**121,001**	**363,180**	**642,068**
Additions	45,650	-	325,842	**371,492**
Disposal	-	-	(2)	**(2)**
Closing balance – June 30, 2024	**203,537**	**121,001**	**689,020**	**1,013,558**
Deferred exploration costs:				
Opening balance – December 31, 2023	**1,144,538**	**180,959**	**215,551**	**1,541,048**
Costs incurred during the period:				
Drilling and related costs	21,228	-	-	**21,228**
Professional/technical fees	11,017	-	36,305	**47,322**
Claim maintenance/lease costs	-	-	7,776	**7,776**
Geochemical, metallurgy	38,104	-	20,362	**58,466**
Travel and accommodation	46,028	-	18,728	**64,756**
Geology, geophysics, exploration	23,754	-	137,777	**161,531**
Supplies and miscellaneous	9,472	-	329	**9,801**
Value-added tax	-	-	16,229	**16,229**
Impairment of deferred exploration costs	-	-	(85,903)	**(85,903)**
Total deferred exploration costs during the period	149,603	-	151,603	**301,206**
Closing balance – June 30, 2024	**1,294,141**	**180,959**	**367,154**	**1,842,254**
Total exploration and evaluation assets	**1,497,678**	**301,960**	**1,056,174**	**2,855,812**

The following is a description of the Company's most significant property interests and related spending commitments:

(a) Davis and Paradise Valley properties

On November 15, 2019, the Company entered into an option to purchase a 100% interest in the Davis property in Nevada, USA. Pursuant to amending agreements dated August 31, 2020 and May 6, 2024, the Company amended the purchase agreement to pay cash as follows:

	$USD	
Upon execution of the agreement	100,000	Paid on November 15, 2019
August 31, 2020	25,000	Paid on August 7, 2020
May 15, 2021	25,000	Paid on May 14, 2021
May 15, 2022	50,000	Paid on May 13, 2022
May 15, 2023	50,000	Paid on May 12, 2023
May 15, 2024	25,000	Paid on May 14, 2024
May 15, 2025	50,000	
May 15, 2026	350,000	Greater of $US200,000 or 140 ounces of gold
Total	**675,000**	

The Company has the right to purchase the Davis property at any time to a maximum of US$800,000 plus 180 ounces of gold bullion. Upon commencement of production from the property, the Company shall pay a 2% NSR royalty with a buy down provision on the first 1% NSR royalty at the greater of $2,000,000 and 1,400 ounces of gold bullion and the remaining 1% NSR royalty at the greater of $6,000,000 and 4,000 ounces of gold bullion.

(Unaudited - Expressed in Canadian dollars)

9. Exploration and Evaluation Assets *(Continued)*

(a) Davis and Paradise Valley properties (Continued)

The Company signed a Second Amending Agreement dated May 6, 2024, on the Davis property whereas the option cash payments of US$100,000 on May 15, 2024 and US$200,000 on May 15, 2025 has been amended to US$25,000 on May 15, 2024, US$50,000 on May 15, 2025 and US$350,000 on May 15, 2026. The remainder of the option agreement is unchanged. On May 14, 2024, the Company paid US$25,000 to extend the option agreement through to May 15, 2025.

On March 1, 2022, the Company entered into an option to purchase one claim within the Paradise property in Nevada USA. for the purchase price of US$750,000 with the previous US$20,000 cash paid in prior years credited towards the purchase price. On March 26, 2024, the Company terminated this option agreement.

(b) Logan

On May 26, 2022, the Company acquired 100% ownership of the Logan project located in Yukon, Canada for a total cost of $121,001 including a deposit of $10,100 paid during the year-ended December 31, 2021.

(c) Other Properties

Other properties consist of a portfolio of early-stage exploration projects located in Canada, the United States and Mexico. During the period ended June 30, 2024, the Company acquired three more new properties besides of the twelve new properties in United States in 2023 and incurred acquisition costs of $325,842 (2023 - $99,559) and deferred exploration cost of $151,603 (2023 - $40,796). The Company also disposed two properties in Mexico for no proceeds and recorded a $2 loss on sale of exploration and evaluation assets in the statement of income and comprehensive income. In addition, the Company recorded a deferred exploration cost of $85,903 (2023 - $81,404), and impairment of deferred costs of $85,903 (2023 - $182,022) with respect to properties not actively explored. As such, these properties are carried at $1 as at June 30, 2024.

Willow

The Willow property was transferred from Azucar to Almadex on May 18, 2018. The Company's wholly-owned U.S. subsidiary, Almadex America Inc., signed a definitive agreement to option up to 75% of its interest in the Willow project, Nevada, to Abacus Mining and Exploration Corp. ("Abacus").

Abacus can earn an initial 60% interest in the Willow project by incurring work expenditures on the project totaling US$3,000,000 and issuing a total of 416,668 shares to the Company over a five-year period.

	No. of Common Shares in Abacus	Fair value on receipt $	Cumulative Amount of Exploration Expenditures ($US)
Beginning balance May 18, 2018	83,334	31,667	100,000
February 22, 2019	41,667	2,917	400,000
February 22, 2020	41,667	4,167	1,000,000
February 22, 2021	83,333	11,667	1,800,000
February 22, 2022	166,667	10,000	-
February 7, 2023	2,000,000	80,000	-
December 31, 2025	-	-	5,000,000
Total	**2,416,668**	**140,418**	**$ 5,000,000**

9. Exploration and Evaluation Assets *(Continued)*

(c) Other Properties *(Continued)*

Willow *(Continued)*

Upon having earned its initial interest, Abacus will be required to incur minimum annual exploration expenditures of US$500,000 on the property and, by February 22, 2027, deliver a Feasibility Study in respect of the Willow project to Almadex, subject to certain rights of extension. Should Abacus fail to incur the minimum annual expenditures for two consecutive years, Almadex may elect to become operator of the project, and the parties will enter into a 60%/40% joint venture agreement with standard dilution provisions.

Abacus will earn an additional 15% interest in the project upon delivery of a Feasibility Study to Almadex, at which point a 75%/25% joint venture will be formed, with pro-rata funding of ongoing work in proportion to the respective interests held at that time. Until such time as a joint venture is formed pursuant to the agreement, Almadex's interest is a carried interest.

On February 9, 2022, the definitive agreement was amended to include a certain drill hole at a designated location on the property and to extend the completion of the U$3 million cumulative exploration expenditures to December 31, 2022. On December 16, 2022, a second amendment was signed to extend the earn-in period to December 31, 2025 for 2,000,000 shares of Abacus on the condition that Abacus completes U$5 million cumulative exploration expenditures by that time.

On February 7, 2023, the Company received 2,000,000 shares of Abacus at a fair value of $80,000.

Ponderosa

On September 11, 2019, the Company signed a definitive agreement to option a 60% interest in the Ponderosa project to 1201361 B.C. Ltd. ("Optionee"). Optionee can acquire a 60% interest in the property by incurring work expenditures totaling $500,000, including 500 meters of drilling within three-years and completing a "liquidity event" within four years. In addition, the Optionee can issue 5% of its issued capital to the Company, and will top-up to this amount at the time of a liquidity event.

A "liquidity event" is some form of transaction which results in the Optionee's, or its affiliates', common shares becoming publicly traded on a recognized stock exchange.

Upon completion of the 60% earn-in, Almadex and the Optionee have agreed to immediately form a 40/60 joint venture for the purpose of carrying out further exploration work on the project with the Optionee as operator and straight line dilution for failure to participate in work programs. If either party's participating interest falls below 10%, their interest will be converted into a 2% NSR royalty.

On December 21, 2020, the liquidity event occurred where Company received a top up amount of 336,635 shares of 1201361 B.C. Ltd. and exchanged all of its shares of 1201361 B.C. Ltd. for 332,791 shares of Au Gold Corp. at fair value of $16,639.

On February 3, 2023, the Company sold its remaining 40% interest in the Ponderosa Property to Au Gold Corp. for consideration of shares and NSR royalty. On February 9, 2023, the Company received 750,000 shares of Au Gold Corp at a fair value of $30,000. The amount was recognized as a gain on exploration assets in profit or loss. The Company owns a 2% NSR royalty on the Poderosa projects.

(Unaudited - Expressed in Canadian dollars)

9. Exploration and Evaluation Assets *(Continued)*

(c) Other Properties *(Continued)*

Royalty on the El Encuentro property

On February 7, 2024, and on March 6, 2023, the Company received US$33,332 in cash from the sale of the 2% NSR royalty on its El Encuentro property. The payment is related to an advance annual royalty payment of up to US$100,000 per year in the event that commercial production does not occur prior to April 25, 2021.

10. Share Capital and Reserves

(a) Authorized share capital

At June 30, 2024, the Company's authorized share capital consisted of an unlimited number of common shares without par value.

(b) Stock option plan

The Company's stock option plan permits the issuance of options to acquire up to a maximum of 10% of the Company's issued common shares. Stock options issued to any consultant or person providing investor relations services cannot exceed 2% of the issued and outstanding common shares in any twelve month period. At June 30, 2024, the Company may reserve up to 516,794 shares that may be granted as stock options. The exercise price of any option cannot be less than the volume weighted average trading price of the shares for the five trading days immediately preceding the date of the grant. The maximum term of all options is ten years. The Board of Directors determines the term of the option and the time during which any options may vest. Options granted to consultants or persons providing investor relations services shall vest in stages with no more than 25% of such option being exercisable in any three month period.

The continuity of stock options for the period ended June 30, 2024 is as follows:

Expiry date	Exercise price	December 31, 2023	Granted	Exercised	Expired/ cancelled	June 30, 2024
January 26, 2024	$ 0.31	50,000	-	-	(50,000)	-
May 31, 2027	$ 0.28	425,000	-	-	-	425,000
December 17, 2027	$ 0.34	330,000	-	-	-	330,000
May 12, 2028	$ 0.31	2,693,200	-	-	(25,000)	2,668,200
July 10, 2028	$ 0.28	1,110,800	-	-	-	1,110,800
July 10, 2028	$ 0.21	1,075,000	-	-	(25,000)	1,050,000
Options outstanding and exercisable		**5,684,000**	**-**	**-**	**(100,000)**	**5,584,000**
Weighted average exercise price		$ 0.28	-	-	$ 0.29	$ 0.28

During the period ended June 30, 2024, the Company recognized share-based payments expense of $Nil (2023 - $369,384) associated with the vesting of stock options granted.

(Unaudited - Expressed in Canadian dollars)

11. Related Party Transactions and Balances

(a) Compensation of key management personnel

Key management personnel include these persons having the authority and responsibility for planning, directing and controlling the activities of the Company as a whole. Key management includes members of the Board, the President and Chief Executive Officer, the Chief Financial Officer and the Executive Vice President. These amounts are included within administrative services fee expense. The aggregate value of compensation to key management personnel was as follows:

	Three months ended June 30,		Six months ended June 30,	
	2024	2023	**2024**	2023
Management fees[1]	**$ 164,613**	$ 160,713	**$ 329,225**	$ 321,425
Share-based payments	**-**	259,200	**-**	305,400
	$ 164,613	$ 419,913	**$ 329,225**	$ 626,825

(1) Management fees are recorded within Administrative services fees.

(b) Other related party transactions

Administrative Services Agreement

The Company paid administrative services fees to Almaden Minerals Ltd. ("Almaden") pursuant to an Administrative Services Agreement dated May 18, 2018, under which Almaden provides the Company with office space, executive management, marketing support, technical oversight, and financial/corporate secretary duties, amongst other administrative services.

At June 30, 2024, included in trade and other payables is $164,444 (December 31, 2023 - $369,045) due to Almaden. Amounts owing to related parties are unsecured, non-interest bearing and due on demand.

Other

During the six months ended June 30, 2024, the Company paid $8,171 (2023 - $Nil) to Western Exploration Inc., a publicly listed company whose President and CEO is also a Director of the Company for storage and office rental.

12. Net Income (loss) per Share

Basic and diluted net income (loss) per share

The calculation of basic net loss per share for the three months ended June 30, 2024 was based on the net loss attributable to common shareholders of $81,296 (2023 – $1,422,299) and a weighted average number of common shares outstanding of 61,007,944 (2023 – 60,860,535).

The calculation of basic net income per share for the six months ended June 30, 2024 was based on the net income attributable to common shareholders of $282,046 (2023 – Net loss of $1,169,153) and a weighted average number of common shares outstanding of 61,007,944 (2023 – 60,781,965).

The calculation of diluted net income per share for the six months ended June 30, 2024 includes a weighted average number of common shares outstanding of 61,106,398, adjusted for the effects of all dilutive potential common shares, which comprises 98,454 stock options and nil warrants.

(Unaudited - Expressed in Canadian dollars)

12. Net Income per Share *(Continued)*

The calculation of diluted net loss per share for the three months ended June 30, 2024, three months ended June 30, 2023, and six months ended June 30, 2023, did not include the effect of stock options and warrants as they were considered anti-dilutive.

13. Supplemental Cash Flow Information

Supplemental information regarding the split between cash and cash equivalents is as follows:

	June 30, 2024	December 31, 2023
	$	$
Cash	**2,575,714**	2,701,192
Term Deposits	**12,307,690**	13,523,340
	14,883,404	16,224,532

Supplemental information regarding non-cash transactions is as follows:

Investing and financing activities	**Six months ended June 30,**	
	2024	2023
	$	$
Fair value of shares received on disposal of exploration and evaluation assets	**Nil**	110,000

As at June 30, 2024, $63,455 of exploration and evaluation asset costs are included in trade and other payables (December 31, 2023 - $76,840).

14. Financial Instruments

The fair values of the Company's cash and cash equivalents, accounts receivable, reclamation deposit, gold loan receivable and trade and other payables approximate their carrying values because of the short-term nature of these instruments. The fair value of the gold loan receivable is based on the gold market price as at each reporting date.

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

(a) Currency risk

The Company's property interests in Mexico 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 foreign currencies. The Company does not invest in foreign currency contracts.

As at June 30, 2024, the Company is exposed to foreign exchange risk through the following assets and liabilities denominated in currencies other than the functional currency of the applicable subsidiary:

14. Financial Instruments

(a) Currency risk *(Continued)*

All amounts in Canadian dollars	US dollar	Mexican peso
	$	$
Cash and cash equivalents	13,530,686	213,928
Accounts receivable and prepaid expenses	-	2,254
Gold loan receivable	6,636,152	-
Reclamation deposits	28,307	-
Total assets	**20,195,145**	**216,182**
Trade and other payables	198,408	7,900
Total liabilities	**198,408**	**7,900**
Net assets	**19,996,737**	**208,282**

A 10% change in the US dollar exchange rate relative to the Canadian dollar would change the Company's profit or loss by $2,000,000.

A 10% change in the Mexican peso exchange rate relative to the Canadian dollar would change the Company's profit or loss by $21,000.

(b) Credit risk

The Company's cash and cash equivalents are held in large Canadian and Mexican financial institutions. The Company's accounts receivable consists primarily of receivables on drilling services charged to third parties, Almaden and Azucar. The Company also has a gold loan receivable from Almaden. The Company is exposed to credit risks through its accounts receivable and gold loan receivable.

To mitigate exposure to credit risk on cash and cash equivalents, the Company has established policies to limit the concentration of credit risk with any given banking institution where the funds are held, to ensure counterparties demonstrate minimum acceptable credit risk worthiness and ensure liquidity of available funds.

To mitigate exposure to credit risk on the gold loan receivable, the Company has secured the gold loan receivable with certain equipment related to Almaden's Rock Creek Mill, and also has been monitoring the share price of Almaden to ensure the loan can be settled with Almaden's common shares according to the terms of the loan agreement.

As at June 30, 2024, the Company's maximum exposure to credit risk is the carrying value of its cash and cash equivalents, accounts receivable and gold loan receivable.

(c) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company manages liquidity risk through the management of its capital structure and cash flow from exploration and drilling services.

Trade and other payables are due within twelve months of the statement of financial position date.

14. Financial Instruments *(Continued)*

(d) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is exposed to varying interest rates on cash and cash equivalents. The Company has no interest-bearing debt.

A 1% change in the interest rate does not have a significant impact on the Company's net loss.

(e) Commodity and equity price risk

(i) Commodity price risk

The ability of the Company to explore its exploration and evaluation assets and the future profitability of the Company are directly related to the market price of gold and other precious metals. The Company is exposed to the commodity price risk on fluctuation of gold prices on its gold loan receivable. The Company monitors gold prices to determine the appropriate course of action to be taken by the Company.

A 1% change in the price of gold would affect the fair value of the Company's gold loan receivable by $66,000.

(ii) Equity price risk

Equity price risk is defined as the potential adverse impact on the Company's operations due to movements in individual equity price or general movements in the level of the stock market. The Company closely monitors the individual equity movements and the stock market to determine the appropriate course of action to be taken by the Company.

(f) Classification of financial instruments

IFRS 13 establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value as follows:

Level 1 – quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 – inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and

Level 3 – inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The following table sets forth the Company's financial assets measured at fair value by level within the fair value hierarchy.

	Level 1	Level 2	Level 3	Total
	$	$	$	$
Marketable securities and investments	895,690	-	-	895,690
Gold loan receivable	6,636,152	-	-	6,636,152

(Unaudited - Expressed in Canadian dollars)

15. Management of Capital

The Company considers its capital to consist of components of equity. The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to pursue the exploration of its exploration and evaluation assets and to maintain a flexible capital structure which optimizes the costs of capital at an acceptable risk.

The Company manages its 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 and acquire or dispose of assets.

In order to maximize ongoing exploration 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 short-term maturities, selected with regards to the expected timing of expenditures from continuing operations.

The Company expects its current capital resources will be sufficient to carry its exploration plans and operations for the foreseeable future. There have been no changes to the Company`s capital management approach during the year. The Company is not subject to externally imposed capital requirements.

16. Segmented Information

The Company operates in one reportable operating segment, being the acquisition and exploration of mineral resource properties in Canada, the United States, and Mexico.

Geographic information is as follows:

	Gold loan receivable	**Deferred income tax assets**	**Property and equipment**	**Exploration and evaluation assets**	**Reclamation deposit**	**June 30, 2024**
	$	**$**	**$**	**$**	**$**	**$**
Canada	6,636,152	180,275	3,647	301,964	65,743	7,187,781
United States	-	-	265,023	2,553,847	28,307	2,847,177
Mexico	-	-	463,084	1	-	463,085
	6,636,152	**180,275**	**731,754**	**2,855,812**	**94,050**	**10,498,043**

17. Subsequent Event

On July 2, 2024, the Company sold 100% interest in the Willow property for a proceed of 9,546,922 shares of Abacus at a fair value of $381,877 and a 2.5% NSR royalty of which Abacus can buy back 0.5% for $500,000 for a period of two years from the closing date at Abacus' election in either cash or equivalent shares in Abacus subject to exchange approval.

On July 8, 2024, the Company granted certain consultant an aggregate of 25,000 stock options in accordance with the terms of the Company's stock option plan, each of which is exercisable into one common share at an exercise price of $0.22 per share until May 31, 2027.