



RANCHERO GOLD CORP.

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

FOR THE THREE MONTHS ENDED MARCH 31, 2023 AND 2022

(EXPRESSED IN CANADIAN DOLLARS)

(Unaudited)

NOTICE OF NO AUDITOR REVIEW OF INTERIM FINANCIAL STATEMENTS

Under National Instrument 51-102, if an auditor has not performed a review of the interim financial statements, they must be accompanied by a notice indicating that the interim financial statements have not been reviewed by an auditor.

The accompanying unaudited condensed interim financial statements of Rancho Gold Corp. have been prepared by and are the responsibility of the Company's management. The Company's independent auditors have not performed a review or audit of these interim financial statements.

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

Ranchero Gold Corp.

Condensed Consolidated Interim Statements of Financial Position (Expressed in Canadian Dollars) (Unaudited)

As at	March 31, 2023	December 31, 2022
ASSETS		
Cash	\$ 4,441	\$ 51,315
Accounts receivable	115,523	112,532
Prepaid expenses	2	15,370
Total assets	\$ 119,966	\$ 179,217
LIABILITIES		
Current		
Accounts payable and accrued liabilities (Notes 5)	\$ 3,656,639	\$ 3,332,508
Total current liabilities	3,656,639	3,332,508
Non-current		
Loans payable (Note 6)	469,027	213,889
Total non-current liabilities	469,027	213,889
Total liabilities	4,125,666	3,546,397
SHAREHOLDERS' EQUITY (DEFICIT)		
Share capital (Note 8)	10,303,305	10,303,305
Reserves (Note 8)	651,750	651,750
Commitment to issue shares (Note 7)	50,040	50,040
Other comprehensive income	80,637	80,637
Deficit	(15,091,432)	(14,452,912)
Total shareholders' equity (deficit)	(4,005,700)	(3,367,180)
Total shareholders' equity (deficit) and liabilities	\$ 119,966	\$ 179,217

Approved on behalf of the Board:

"Gustavo Mazon"
Director

"Martyn Buttenshaw"
Director

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Ranchero Gold Corp.

Condensed Consolidated Interim Statements of Loss and Comprehensive Loss (Expressed in Canadian Dollars) (Unaudited)

For the three months ended March 31,	2023	2022
		restated (note 2)
Expenses		
Consulting fees (Notes 7 and 8)	\$ 74,600	\$ 112,562
Exploration expenditures (Note 4)	475,693	1,104,315
Financing fees	8,335	1,256
Foreign exchange loss	2,066	(24,512)
Management fees (Note 7)	-	159,061
Office costs	17,895	10,987
Professional fees	59,931	32,970
Share-based compensation (Notes 7 and 8)	-	680,950
Transfer agent and filing fees	-	5,005
Travel	-	4,274
Total loss from operations	(638,520)	(2,086,868)
Total net loss and comprehensive loss	\$ (638,520)	\$ (2,086,868)
Loss per common share, basic and diluted	\$ (0.01)	\$ (0.03)
Weighted average number of shares outstanding	65,737,322	65,737,322

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

Ranchero Gold Corp.

Condensed Consolidated Interim Statements of Changes in Shareholders' Equity (Deficit) (Expressed in Canadian Dollars) (Unaudited)

	Number of shares	Share capital	Reserve	Commitment to issues shares	Other comprehensive income	Deficit restated (note 2)	Total
Balance as at December 31, 2021	65,737,322	\$ 10,303,305	\$ 102,800	\$ 63,501	\$ 80,637	\$ (10,055,161)	\$ 495,082
Commitment to issue shares for management fees	-	-	-	(63,501)	-	-	63,501
Share-based compensation	-	-	680,950	-	-	-	680,950
Loss for the period	-	-	-	-	-	(2,086,868)	(2,086,868)
Balance as at March 31, 2022	65,737,322	\$ 10,303,305	\$ 783,750	\$ -	\$ 80,637	\$ (10,055,161)	\$ 495,082

	Number of shares	Share capital	Reserves	Commitment to issues shares	Other comprehensive income	Deficit	Total
Balance as at December 31, 2022	65,737,322	\$ 10,303,305	\$ 651,750	\$ 50,040	\$ 80,637	\$ (14,452,912)	\$ (3,367,180)
Loss for the period	-	-	-	-	-	(638,520)	(638,520)
Balance as at March 31, 2023	65,737,322	\$ 10,303,305	\$ 651,750	\$ 50,040	\$ 80,637	\$ (15,091,432)	\$ (4,005,700)

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

Ranchero Gold Corp.

Condensed Consolidated Interim Statements of Cash Flows (Expressed in Canadian Dollars) (Unaudited)

	Three months ended March 31, 2023	Three months ended March 31, 2022 restated (note 2)
OPERATING ACTIVITIES		
Loss for the period	\$ (638,520)	\$ (2,086,868)
Items not affecting cash:		
Interest expenses	22,896	-
Share-based compensation	-	680,950
Changes in non-cash working capital items:		
Accounts receivables	(2,991)	(20,848)
Prepaid expenses	15,368	557,344
Accounts payable and accrued liabilities	324,131	(15,066)
Net cash used in operating activities	(279,116)	(884,488)
FINANCING ACTIVITIES		
Funds received from loan payable	232,242	-
Net cash provided by financing activities	232,242	-
Net change in cash during the period	(46,874)	(884,488)
Cash beginning of period	51,315	1,666,645
Cash end of period	\$ 4,441	\$ 782,157

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Ranchero Gold Corp.

Notes to Condensed Consolidated Interim Financial Statements For the Three Months Ended March 31, 2023 and 2022 (Expressed in Canadian Dollars) (Unaudited)

1. NATURE OF OPERATIONS AND GOING CONCERN

Ranchero Gold Corp. (“Ranchero” or the “Company”) was incorporated under the laws of the province of British Columbia, Canada. The Company’s registered office is located at 910 - 800 West Pender Street, Vancouver, British Columbia, Canada V6C 2V6. The Company is engaged in the acquisition and exploration of resource properties in Mexico.

The Company is in the process of exploring its exploration and evaluation assets and has not yet determined whether they contain reserves that are economically recoverable. The recoverability of amounts shown for exploration and evaluation assets is dependent upon the discovery of economically recoverable reserves, the ability of the Company to obtain the necessary financing to complete their exploration and development, confirmation of the Company’s interest in the underlying claims and leases, ability to obtain the necessary permits to mine, and future profitable production or proceeds from the disposition of these assets.

The Company’s consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”) on a going concern basis, which contemplates that the Company will be able to realize its assets and discharge its liabilities in the normal course of business. Realization values may be substantially different from the carrying values shown and these consolidated financial statements do not give effect to adjustments that would be necessary to the carrying values and classification of assets and liabilities should the Company be unable to continue as a going concern. Such adjustments could be material.

The Company’s continuing operations and the ability of the Company to meet mineral property and other commitments are dependent upon the ability of the Company to continue to raise additional equity or debt financing. The Company has not achieved profitable operations and has accumulated losses since inception, and during the three months ended March 31, 2023 incurred a net loss of \$638,520 (2022 - \$2,086,868). The Company will need to raise additional capital resources to fund its exploration programs and administrative expenses beyond the next twelve months. The above conditions may cast significant doubt about the Company’s ability to continue as a going concern.

2. SIGNIFICANT ACCOUNTING POLICIES AND BASIS OF PREPARATION

Statement of Compliance and Basis of Presentation

The Company’s condensed consolidated interim financial statements have been prepared in accordance with International Accounting Standard (“IAS”) 34 Interim Financial Reporting, and do not include all of the information required for full annual financial statements prepared using International Financial Reporting Standards (“IFRS”). Accordingly, these condensed consolidated interim financial statements should be read in conjunction with the Company’s most recent annual audited consolidated financial statements for the year ended December 31, 2021.

These condensed consolidated interim financial statements were approved and authorized for issuance by the Board of Directors on May 29, 2023.

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

Ranchero Gold Corp.

Notes to Condensed Consolidated Interim Financial Statements For the Three Months Ended March 31, 2023 and 2022 (Expressed in Canadian Dollars) (Unaudited)

2. SIGNIFICANT ACCOUNTING POLICIES AND BASIS OF PREPARATION

Basis of Measurement

These consolidated financial statements have been prepared on a historical cost basis, except for certain financial instruments which are measured at fair value and have been prepared using the accrual basis of accounting except for cash flow information. They are presented in Canadian dollars ("CAD"), which is also the functional currency of the Company and its subsidiaries (see below).

Basis of Consolidation

These consolidated financial statements comprise the accounts of the Company and the following subsidiaries:

	Jurisdiction	Percentage Owned
Melior Resources Corp.	Canada	100%
Minera y Metalurgia Paika SA de CV	Mexico	99.99%

All material intercompany balances and transactions have been eliminated upon consolidation. Subsidiaries are all entities over which the Company has the power to govern the financial and operating policies generally accompanying a shareholding of more than one-half of the voting rights. Subsidiaries are fully consolidated from the date on which control is transferred to the Company until the date on which control ceases.

Change in Accounting Policy

As more fully disclosed in the Company's annual consolidated financial statements for the year ended December 31, 2022 the Company adopted a voluntary change in its accounting policy for exploration and evaluation expenditures during the year ended December 31, 2022 and has applied the change retrospectively. As a result, balances of comparative periods have been restated. Under the new policy, the Company recognizes these expenditures as exploration and evaluation costs in the condensed interim consolidated statements of profit or loss and other comprehensive loss in the period incurred until management concludes the technical feasibility and commercial viability of a mineral deposit has been established. Prior to December 31, 2022, the Company's policy was to capitalize all exploration and evaluation expenditures as exploration and evaluation assets.

The impact of the change in the accounting policy on the consolidated statements of financial position at December 31, 2022 was disclosed in the Company's annual consolidated statements for the year then ended. As a result of the accounting policy change, the Company recorded the following adjustment to specific account balances, in the condensed consolidated interim financial statements below:

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

Ranchero Gold Corp.

Notes to Condensed Consolidated Interim Financial Statements For the Three Months Ended March 31, 2023 and 2022 (Expressed in Canadian Dollars) (Unaudited)

2. SIGNIFICANT ACCOUNTING POLICIES AND BASIS OF PREPARATION (Continued)

Change in Accounting Policy (continued)

Condensed Consolidated Interim Statement of Loss and Comprehensive Loss

	Three months ended March 31, 2022 (as previously stated)	Impact of accounting policy change	Three months ended March 31, 2022 (restated)
Expenses			
Exploration and evaluation expenditures	\$ -	\$ 1,104,315	\$ 1,104,315
Net Loss and Comprehensive Loss	\$ 982,553	\$ 1,104,315	\$ 2,086,868
Basic and diluted loss per share	\$ 0.01	\$ 0.02	\$ 0.03

Condensed Consolidated Interim Statement of Changes in Shareholders' Equity (Deficit)

	(as previously stated)	Impact of accounting policy change	(restated)
Deficit as of December 31, 2020	\$ 490,675	\$ 1,568,591	\$ 2,059,266
Loss for the year	\$ 6,530,647	\$ 1,465,248	\$ 7,995,895
Deficit as of December 31, 2021	\$ 7,021,322	\$ 3,033,839	\$ 10,055,161

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Ranchero Gold Corp.

Notes to Condensed Consolidated Interim Financial Statements For the Three Months Ended March 31, 2023 and 2022 (Expressed in Canadian Dollars) (Unaudited)

2. SIGNIFICANT ACCOUNTING POLICIES AND BASIS OF PREPARATION (Continued)

Change in Accounting Policy (continued)

Condensed Consolidated Interim Statement of Cash Flows

	Three months ended March 31, 2022 (as previously stated)	Impact of accounting policy change	Three months ended March 31, 2022 (restated)
Cash flows from operating activities			
Loss for the period	\$ (982,553)	\$ (1,103,315)	\$ (2,086,868)
Accounts payable and accrued liabilities	71,653	(86,719)	(15,066)
Cash used in operating activities	\$ 306,546	\$ (1,191,034)	\$ (884,488)
Cash flows from investing activities			
Exploration and evaluation assets	\$ (1,191,034)	\$ 1,191,034	\$ -
Cash flow from investing activities	\$ (1,191,034)	\$ 1,191,034	\$ -

Significant Accounting Policies

In preparing these condensed consolidated interim financial statements, the significant accounting policies and the significant judgments made by management in applying the Company's significant accounting policies and key sources of estimation uncertainty were the same as those that applied to the Company's audited consolidated financial statements for the year ended December 31, 2022.

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

Ranchero Gold Corp.

Notes to Condensed Consolidated Interim Financial Statements For the Three Months Ended March 31, 2023 and 2022 (Expressed in Canadian Dollars) (Unaudited)

3. EXPLORATION EXPENDITURES

<u>Santa Daniela Property, Mexico</u>		
	Three Months Ended March 31, 2023	Three Months ended March 31, 2022
Camp costs	\$ -	\$ 74,558
Geological consultants	-	22,995
Samples	-	81,679
Land fees	388,369	-
Logistics	155	786,665
Vehicles and fuel	231	15,449
Legal	6,509	17,540
Interest expenses	22,896	-
Administration	57,533	105,429
Total exploration expenditures	\$ 475,693	\$ 1,104,315

Title to mineral properties

Title to mineral properties involves certain inherent risks due to the difficulties of determining the validity of certain claims as well as the potential for problems arising from the frequently ambiguous conveyancing history characteristic of many mineral properties. The Company has investigated title to its mineral property and, to the best of its knowledge, title to its property is in good standing.

Santa Daniela mineral concessions

The Company subsidiary's Minera y Metalurgica Paika Sa de CV own 100% of the Santa Daniela mineral concessions located in the state of Sonora, Mexico for US\$56,036 (\$71,407). The claims are subject to a 2% gross value royalty of all commercial production from the claims.

4. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	March 31, 2023	December 31, 2022
Accounts payable	\$ 308,917	\$ 255,986
Accrued liabilities	2,814,102	2,981,995
Due to related parties	533,620	94,527
	\$ 3,656,639	\$ 3,332,508

As at March 31, 2023, accrued liabilities include \$2,790,586 (December 31, 2022 - \$2,420,068) of land fee payments and accrued interest due on the Santa Daniela mineral concession (Note 3).

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

Ranchero Gold Corp.

Notes to Condensed Consolidated Interim Financial Statements For the Three Months Ended March 31, 2023 and 2022 (Expressed in Canadian Dollars) (Unaudited)

5. LOANS PAYABLE

During the year ended December 31, 2022, the Company entered into an unsecured line of credit agreement with Golden Calf Mining S.A. de C.V. (“Golden Calf”), a related party. Golden Calf will provide a line of credit of up to US\$130,000, excluding interest. Simple interest will accrue at a rate of 15% per year on any funds drawn. The line of credit must be repaid, including any interest, by October 31, 2024. As at March 31, 2023, \$184,324 (US\$136,204) (December 31, 2022 - \$176,017 (US\$130,000)) had been drawn against the line of credit and is included in loans payable. During the three months ended March 31, 2023, the Company accrued interest of \$6,329 (2022 - \$nil) included in loan payable.

During the year ended December 31, 2022, the Company signed an agreement for a US\$500,000 working capital loan (the “Loan”) from American PT Metals LLC (“American Metals”), a related party, through its wholly owned subsidiary Mexico Minerales y Metales Earth S.A. de C.V. The principal amount of the Loan, which bears an annual interest rate of 12%, will be convertible during its two-year term into common shares of the Company at a price of \$0.085 per share in the first year and \$0.10 in the second year. In the event that the Company completes a financing in excess of \$1 million during the term of the Loan, the Loan will become immediately payable, and the Company will use commercially reasonable efforts, subject to TSX Venture Exchange approval, to complete a share for debt application in respect of the Loan on the same terms as the financing. In November 2022, the Company amended the term of the Loan and is not convertible into common shares of the Company and no securities of the Company are issuable pursuant to the Loan. As at March 31, 2023, \$261,807 (US\$193,458) (December 31, 2022 - \$37,872 (US\$27,962)) had been drawn against the line of credit and is included in loans payable. During the three months ended March 31, 2023, the Company accrued interest of \$16,567 (2022 - \$nil) included in loan payable.

6. RELATED PARTY TRANSACTIONS

Officers and directors are key management personnel. The aggregate value of transactions and outstanding balances relating to key management personnel are as follows:

	Three Months Ended March 31,	
	2023	2022
Management fees	\$ -	\$ 159,061
Consulting fees	70,775	-
Share-based compensation	-	680,950
	\$ 70,775	\$ 840,011

Amounts due to related parties are included in accounts payable and accrued liabilities as at March 31, 2023 and December 31, 2022 and were as follows:

Amounts due to	Service	March 31, 2023	December 31, 2022
Companies controlled by a director	Exploration expenditures	\$ 533,620	\$ 94,527
Director fees	Consulting fees	37,050	-
Company controlled by former chief financial officer	Consulting fees	-	8,960
		\$ 570,670	\$ 103,487

Amounts due to related parties included in accounts payable and accrued liabilities are non-interest bearing and due on demand.

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Ranchero Gold Corp.

Notes to Condensed Consolidated Interim Financial Statements For the Three Months Ended March 31, 2023 and 2022 (Expressed in Canadian Dollars) (Unaudited)

6. RELATED PARTY TRANSACTIONS (Continued)

As at December 31, 2022, Ranchero has amended the consulting agreement with the former Chief Executive Officer (“CEO”) whereas the CEO’s annual fee is US\$180,000 of which US\$132,000 is paid in cash and US\$48,000 is paid in common shares. The cash payments are to be made monthly and the common share payments are to be made quarterly. As at March 31, 2023, the Company had a commitment to issue common shares to the CEO in the amount of \$50,040 (December 31, 2022 - \$50,040).

During the three months ended March 31, 2023, the Company paid \$nil (2022 - \$24,000) in management fees to the former Chief Financial Officer; paid \$nil (2022 - \$65,000) in management fees to the former President of the Company and paid \$nil (2022 - \$70,061) to the former Chief Executive Officer of the Company. The Company also paid \$70,775 (2022 - \$nil) in consulting fees to a director of the Company. The Company also issued stock options to related parties and recognized \$nil (2022 - \$680,950) of share-based compensation to directors and consultants of the Company.

7. SHARE CAPITAL

Authorized

As at March 31, 2023, the authorized share capital of the Company was an unlimited number of common shares.

Escrowed Shares

As at March 31, 2023, the Company had 39,770,545 shares in escrow, of which:

- 4,971,317 will be released on the date that is 18 months from October 18, 2021 (the “Anniversary Date”);
- 7,456,976 will be released on the date that is 24 months and 30 months from the Anniversary Date; and
- 19,885,276 will be released on the date that is 36 months from the Anniversary Date.

These escrow shares may not be transferred, assigned, or otherwise dealt without the consent of regulator authorities.

Year Ended December 31, 2022

During the year ended December 31, 2022, the Company entered into a consulting agreement with the former CEO whereby the commitment to issue shares recognized as at December 31, 2021 would be settled by cash payments. These funds are required to be used to purchase shares of the Company in the open market.

Ranchero Gold Corp.

Notes to Condensed Consolidated Interim Financial Statements For the Three Months Ended March 31, 2023 and 2022 (Expressed in Canadian Dollars) (Unaudited)

7. SHARE CAPITAL (continued)

Warrants

The following is a summary of the Company's warrant activities:

	Number of Warrants		Weighted Average Exercise Price
Outstanding at December 31, 2021, 2022 and March 31, 2023	319,093	\$	0.55

The warrants outstanding as at March 31, 2023 are as follows:

Exercise Price	Expiration Date	Number of Warrants
\$0.55	October 7, 2023	319,093
		319,093

Stock Options

Pursuant to the Company's Equity Incentive Plan (the "Plan") approved by the Board of Directors, the Company grants stock options to employees, directors, officers, and advisors. Under the Plan, options can be granted for a maximum term of ten years. Further, the exercise price shall not be less than the price of the Company's common shares on the date of the stock option grant.

During the year ended December 31, 2022, the Company granted 3,700,000 stock options. The following assumptions were used to measure the stock options: risk-free interest rate – 1.65%; expected volatility 115%; dividend yield – nil; expected life – 5 years; and share price – \$0.27. The expected volatility is based on the implied volatility of the Company's common shares price on the TSX-V. The risk-free interest rate assumption is based on yield curves on Canadian government zero-coupon bonds with a remaining term equal to the stock options' expected life.

The following is a summary of the Company's stock options:

	Options Outstanding		Weighted Average Exercise Price
Outstanding at December 31, 2021	-	\$	-
Granted	3,700,000		0.29
Forfeiture	(1,200,000)		0.29
Outstanding at December 31, 2022	2,500,000	\$	0.29
Forfeiture	(1,000,000)		0.29
Outstanding at March 31, 2023	1,500,000	\$	0.29

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Ranchero Gold Corp.

Notes to Condensed Consolidated Interim Financial Statements For the Three Months Ended March 31, 2023 and 2022 (Expressed in Canadian Dollars) (Unaudited)

7. SHARE CAPITAL (continued)

Stock Options (continued)

As at March 31, 2023, the weighted average remaining life of the stock options outstanding is 3.85 (December 31, 2022 – 4.10) years. The Company's outstanding stock options as at December 31, 2022 are as follows:

Exercise Price	Expiration Date	Outstanding	Exercisable
\$0.29	February 1, 2027	1,200,000	2,200,000
\$0.29	March 10, 2027	300,000	300,000
		1,500,000	2,500,000

8. FINANCIAL AND CAPITAL RISK MANAGEMENT

Financial Risk Management

The Company's financial instruments are exposed to certain financial risks, which include credit risk, liquidity risk, currency risk, and interest rate risk.

Credit Risk

Credit risk arises from cash as well as credit exposure to counterparties of outstanding receivables and committed transactions. There is no significant concentration of credit risk other than cash deposits and receivables. The Company's cash deposits are primarily held with Canadian and Mexican banks and receivables are usually nominal and are for expense advances.

Liquidity Risk

Liquidity risk is the risk that the Company will not have sufficient cash resources to meet its financial obligations as they come due. The Company's main source of cash resources is through equity financing. The Company's financial obligations are limited to its current liabilities which have contractual maturities of less than one year. The Company manages liquidity risk as part of its overall "Management of Capital" as described below.

Currency Risk

The Company is exposed to the financial risk related to the fluctuation of foreign exchange rates. The Company operates in Canada and Mexico and a significant portion of the Company's expenses are incurred in Canadian dollars ("CAD"), United States dollars ("USD") and Mexican pesos. A 5% change in the currency exchange rates between the Canadian dollar and the Mexican peso relative to the CAD dollar could increase or decrease the loss from operations by \$120,000.

Interest Rate Risk

Interest rate risk is the risk that future cash flows will fluctuate as a result of changes in market interest rates. When the Company has sufficient cash, it is invested in term deposits which can be reinvested without penalty after thirty days should interest rates rise. The Company's loans payable are a fixed-rate debt. Accordingly, the Company does not have significant interest rate risk.

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

Ranchero Gold Corp.

Notes to Condensed Consolidated Interim Financial Statements
For the Three Months Ended March 31, 2023 and 2022
(Expressed in Canadian Dollars)
(Unaudited)

8. FINANCIAL AND CAPITAL RISK MANAGEMENT (continued)

Management of Capital

The Company's objective when managing capital is to safeguard the Company's ability to continue as a going concern to pursue the development of its exploration and evaluation assets. The Company relies mainly on equity issuances to raise new capital.

In the management of capital, the Company includes the components of shareholders' equity (deficiency) and loans payable. The Company's investment policy is to invest its cash in savings accounts or highly liquid short-term deposits with terms of one year or less and which can be liquidated after thirty days without penalty. The Company is not subject to any externally imposed capital requirements. The Company did not change its capital management policy during the three months ended March 31, 2023.

Fair Values

The Company's financial instruments consist of cash, accounts payable and accrued liabilities and loans payable. Financial instruments are initially recognized at fair value with subsequent measurement depending on classification as described below. Classification of financial instruments depends on the purpose for which the financial instruments were acquired or issued, their characteristics, and the Company's designation of such instruments and are classified according to the following hierarchy levels:

- a) Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- b) Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices).
- c) Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

As at March 31, 2023, all of the Company's financial instruments were classified at amortized cost. There were no movements between levels of the fair value hierarchy during the three months ended March 31, 2023.

The carrying values of cash and accounts payable and accrued liabilities approximate their fair value because of the short-term nature of these instruments. The carrying amount of loans payable approximates its fair value because this loan bears a market interest rate.

9. SEGMENTED INFORMATION

The Company operates in one reportable operating segment, being the exploration and evaluation of mineral interests. The Company's resource properties are located in Mexico.

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